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War in Congo Drains Resolve Of Tired Nation

With Conflict Dragging On,
Support for Kabila Ebbs,
As Does Nation's Euphoria

By Norimitsu Onishi
New York Times Staff

KINSHASA, Democratic Republic of the Congo — "Je suis 'low bat'." Whenever "low bat" starts flashing on their cellular phones, people here know that their batteries are nearly drained. The phrase is a fashionable one here in the capital's deluxe hotels and gated villas, a coinage peculiar to a place where regular phones do not work and only the thin upper layer of society can afford alternatives.

But these days, as Congo approaches its fifth month of a war that has drawn in at least seven of its neighbors, the phrase has acquired a wider meaning. People now are as likely to utter "I am low bat" in describing their feelings toward the war as their phones.

"We don't have an army that can stand on its own," said Moïse Musinga, an editor of *Le Potentiel*, an independent daily newspaper.

"We have to rely on our allies. War costs money that the Congo doesn't have. With each passing day, things are getting worse for Kabila. Why does he refuse to negotiate? People are sick of this war. They're low bat."

Such comments stand in sharp contrast to the wartime euphoria in August and September, when at the last minute the government of President Laurent Kabila won the support of Angolan and Zimbabwean troops to repel rebel soldiers on the outskirts of Kinshasa.

But after the government's dramatic victory here, the Congolese appear increasingly weary of a war that has brought hardships and that the government warns will be long.

Mawupanga Mwana Nanga, the minister of finance and agriculture, waved away reports of rapidly deteriorating economic and living conditions.

"Freedom has no price," he said. "Whether it takes us 50 years or 100 years, we will resist until they leave us alone."

Mr. Kabila, whose popularity soared after the failed assault on Kinshasa, seems to have squandered those dividends by failing to rally the support of the internal political opposition and the West.

Instead, he has become more isolated inside his own country and more dependent on foreign allies whose stomach for a long war is uncertain, said officials in government and the opposition, as well as Western diplomats.

So Mr. Kabila's standing has slipped, even as it has been confirmed that his government and nation have been the victims of aggression by foreign countries. After long denying any involvement in the war, Rwanda and Uganda have admitted that their soldiers are backing the

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...s popularity has eroded in the as memories of the Kinshasa victory ac anti-Tutsi propaganda recede before the realities of economic hardship and a war without any apparent end, Mr. Kamitatu said.

Living under a military regime, in a state of war, most residents interviewed in Kinshasa expressed support for Mr. Kabila. But few nowadays echoed the universal response in August, when residents of Kinshasa would raise their

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Newstand Prices	
Bahrain	1,000 BD Malia
Cyprus	CE 1.00 Nigeria
Denmark	17 Dkr Oman
Finland	12.00 Fm Qatar
Gibraltar	£ 0.85 Rep. Ireland
Great Britain	UK £1.00 Saudi Arabia
Egypt	CE 5.50 S. Africa
Jordan	1,250 JD U.A.E.
Kenya	Sh. 180 U.S. \$4 (Est.)
Kuwait	700 Fils Zimbabwe



E-Day for Europe: Euro Debuts in 11 Nations



A worker adjusting a euro flag on an electronic billboard of rates to be unveiled Thursday in Brussels.

Finance Ministers Will Set Rates

By Barry James
International Herald Tribune

BRUSSELS — In the biggest transfer of sovereignty since the creation of the Common Market in 1957, finance ministers will hand the reins of monetary power to the European Central Bank on Thursday and usher in a new currency, the euro, for some 290 million people in 11 nations.

The ministers, meeting at the European Council headquarters in Brussels and acting on advice from central banks and the European Commission, will adopt the final and irrevocable rate at which the participating national currencies will convert to the euro.

The ministers' meeting will be televised throughout the European Union, and the rates will be made available on the Internet (<http://europa.eu.int>), at about 1:30 P.M. Central European time as 3,000 blue balloons are launched into the sky.

Following publication in the European Union's Official Journal in Luxembourg, the rates will go into effect and the euro will become the single currency for all participating countries at midnight local time on Friday — meaning that it will first become reality in Finland, which is an hour ahead of most of its EU partners.

Around the world, from Tokyo to London, traders and back-office staff in financial institutions will be at work over the holiday weekend to prepare for trading in the powerful new currency — an instant rival to the dollar — when business starts on Monday.

When they awake Friday morning, most Europeans will not notice much difference. They will still have francs, marks, lire, pesetas and other familiar currencies in their pockets and purses. But those expressions of national sovereignty will effectively have ceased to exist as independent entities. Until euro bank notes and coins are introduced in the first half of 2002, the existing currencies will continue to circulate, but only as units of the euro.

The euro will be immediately available, however, for noncash transactions — such as check and credit card payments. Also, beginning Monday when the markets reopen, European stock and bond trades will be denominated entirely in euros, as will all government borrowing and other financial transactions.

Until the actual currency begins to circulate, however, no one will be obliged to accept or make payments denominated in euro.

But many of Europe's largest compa-

nies have announced that they will start using the currency immediately, simplifying their accounting procedures and eliminating transaction costs within the single currency zone.

For the first time, Europeans will have the means of directly comparing prices and costs across the Continent, which could lead to increased cross-border trade in goods and, above all, in financial services. In return for stability

Wim Duisenberg, the European Central Bank head, says he won't step down after four years. Page 11.

and low inflation, countries will surrender monetary policy to the Frankfurt-based central bank, which will establish the exchange rate for the euro against the dollar and other external currencies.

Leading European stock markets ended the last trading day of the year Wednesday on a nostalgic note, as Frankfurt completed its last Deutsche mark-denominated session and the Paris Bourse saw the last hours of the French franc. (Page 11)

European currencies have remained rock steady in the face of crises in Asia, Russia and Latin America, and the European Commission predicts that the

See EURO, Page 8

U.S. Hits More Iraqi Missile Sites

Launch of Surface-to-Air Arms in No-Flight Zone Prompts Strike

By Steven Lee Myers
New York Times Staff

WASHINGTON — U.S. fighter jets attacked Iraqi air-defense batteries on Wednesday for the second time this week as Iraq carried out its threats to fire on American and British aircraft patrolling no-flight zones over northern and southern Iraq.

Four F-16s struck three Iraqi anti-aircraft sites northwest of the city of Tallil in southern Iraq after a squadron of U.S. and British warplanes detected the launching of surface-to-air missiles.

The F-16s attacked with radar-seeking missiles and laser-guided 500-pound (230-kilogram) bombs, and the Pentagon said initial assessments suggested that all three anti-aircraft sites had suffered damage. On Monday, U.S. jets destroyed a surface-to-air missile site in northern Iraq.

The official Iraqi News Agency said Iraqi forces had repulsed a U.S.-led attack that left a farmer dead and two other civilians wounded. The agency again claimed, as it did Monday, that it was "virtually certain" that Iraqi forces had shot down an attacking aircraft.

The Clinton administration dismissed Iraq's claims, saying that all 24 American and British jets flying over southern Iraq on Wednesday had returned safely to their bases. U.S. officials said that the Iraqi banteries had no time to seriously threaten the British and U.S. aircraft.

The skirmish came a day after Iraq defiantly vowed to challenge the enforcement of the no-flight zones, which the United States and its allies created after the 1991 Gulf War to protect Iraqi ethnic groups in the north and south who were facing repression by forces loyal to President Saddam Hussein.

White House and Pentagon officials said they believed that Mr. Saddam wanted to test the U.S. and British resolve to patrol the zones, hoping to weaken international support for them and to boost morale inside Iraq. One official said Iraq had made similar provocations after previous U.S. strikes, in 1993 and 1996, and speculated that the skirmishes would not continue much longer.

It was clear, however, that if Iraq continued to fire

See IRAQ, Page 8



General Wiranto, the army chief, who issued a warning to rioters.

Mob Attacks Military in Indonesia

Riots Rage in Northwest Province After Villagers Kill 8 Soldiers

Compiled by Our Staff From Dispatches

JAKARTA — A mob attacked military posts Wednesday in Indonesia's northwestern Aceh Province as violence continued a day after rioters killed eight soldiers.

In Jakarta, the armed forces chief, General Wiranto, warned that the slaying of the soldiers could jeopardize a plan to reduce the military presence in the province. "The killing was a brutal action which can never be tolerated by the armed forces," General Wiranto said. "This action could spoil the wishes of the Aceh people to free the region of military operations."

A military official said Wednesday that about 1,000 people had set fire to a police station and attacked a military post near the industrial town of Lhokseumawe on the northern tip of Sumatra, about 1,600 kilometers (1,000 miles) northwest of Jakarta.

Security forces fired warning shots at the mob. A military spokesman, Lieutenant Colonel Nurdin Sulistyio, said there were no reports of casualties.

On Tuesday, 200 machete-wielding villagers in Lhok Nibung stopped a bus with 16 off-duty soldiers on board and killed eight of them.

The military has detained 25 people, saying they

appeared to be members of a pro-independence group. The military said 100 troops had been sent to the area Tuesday evening to keep order and search for the bodies of the eight soldiers. A further 200 troops were due Wednesday.

Ach is one of Indonesia's most fiercely Islamic regions and has long battled against outside control, first against Dutch colonial rulers and in recent years against Jakarta.

Locals and human rights officials say a nine-year army crackdown against the rebels involved widespread army atrocities including torture, rape and summary executions.

Indonesia's military apologized this year for past atrocities and said it was withdrawing all combat troops.

Indonesia also faces separatist insurgencies in the former Portuguese colony of East Timor and the remote eastern province of Irian Jaya. Talks are under way with Portugal to settle the dispute over East Timor by offering it substantial autonomy.

Separatist protests in Indonesia have gained mo-

See INDONESIA, Page 8

Tech Transfers to China Hurt U.S., Inquiry Finds

By Brian Knowlton
International Herald Tribune

WASHINGTON — A House committee, after a six-month investigation, unanimously concluded Wednesday that U.S. technology transfers to China over the past 20 years had harmed national security.

The transfers covered militarily significant technology, including satellite missile technology, said Representative Christopher Cox, Republican of California, the chairman of a select committee investigating military and commercial deals with China.

"U.S. technology has been the subject of serious PRC acquisition efforts over the last two decades, and continues today," Mr. Cox said, referring to the People's Republic of China. "Based on unclassified information, we have found that national security has been harmed."

The finding by members of a select committee appeared significant as much for the bipartisan backing it gained from committee members as for the details revealed.

The ranking Democrat on the committee, Representative Norman Dicks of Washington, agreed that the report was assembled in a bipartisan spirit by the five Republican and four Democratic

members of the panel. Earlier congressional studies of technological dealings with China had come largely from Republicans, and had been dismissed by Democrats and the White House as partisan and lacking substance.

Mr. Dicks said the White House had promised to carefully consider implementing its recommendations. The committee made 38 recommendations for legislation and executive action.

A committee source, who spoke on condition of anonymity, said the report contained no explicit criticism of the Clinton administration.

See CHINA, Page 8

Cheap Chinese Exports Flood Neighboring Countries

By Thomas Crampton
International Herald Tribune

HSIPAW, Burma — Never during his half-century of selling hats in northern Burma has U Sai Lone witnessed such a shift in fashion tastes.

In the three years since he first sold hats from China, customers have increasingly rejected traditional hand-crafted hats in favor of the more durable machine-made imports.

"In truth, I think most people still prefer the shape of the Shan hats, but the Chinese hats are much cheaper

and last longer," U Sai Lone said. He sells Chinese hats for less than half the 250 kyat (72 cents) price of Shan headwear.

A brief stroll past other stalls in Hsipaw's covered market reveals a wide array of Chinese consumer goods on sale, including virtually all blankets, children's clothes, toothpaste, shampoo, soap, batteries, key rings, hair clips, winter jackets and shoes.

Beyond illustrating the clash of cottage industry with large-scale manufacturing, analysts said the flood of cheap goods demonstrated how China's economy, partly in response to policy set in Beijing, has pushed

across formerly closed borders to inundate less-developed neighbors. Much of this trade never shows up in official figures, which show Chinese foreign trade declining slightly over the past year, even as the overall economy expanded at a 7.3 percent clip. (Page 11)

Unless protectionist barriers are erected, some analysts said, manufacturers from the world's most populous nation will increasingly leverage economies of scale to wipe out their meager cross-border competitors and send truckloads of fluorescent green plastic

See TRADE, Page 15



EARLY BID — John McCain, who kicked off the Republican presidential race. Page 3.

AGENDA

Israelis Revisit A Jewish Question

JERUSALEM (NYT) — In a court decision that is expected to revive the divisive issue of who is a Jew, a district judge ordered the Israeli government Wednesday to recognize conversions to Judaism performed by non-Orthodox rabbis.

Strictly Orthodox Jewish politicians immediately denounced the ruling and promised to circumvent it by bringing a bill to the Knesset next week that confers the sole right to perform conversions on the Orthodox rabbinate.

But leaders of the Reform and Conservative movements here celebrated what they consider a landmark victory in the battle to secure equal status for their movements in the Jewish homeland, where the Orthodox control religious life.

The Dollar			
New York	Wednesday @ 4 P.M.	previous close	
DM	1.6785	1.6725	
Yen	115.075	115.405	
FF	5.6295	5.6097	
Pound	1.6602	1.6627	
The Dow			
Wednesday close	percent change		
-42.34	9,274.84	-0.50%	
S&P 500			
Wednesday close	percent change		
-0.84	1,281.83	-0.79%	
Nasdaq			
Wednesday close	percent change		
-14.30	2,186.94	-0.65%	

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China Claims 28% Growth Rate

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The Internet www.trib.com

Happy New Year

This issue of the International Herald Tribune — bearing a double date — is the last to be published in 1998. Publication will resume with the Saturday-Sunday edition.

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#2

Race at Sea Turns Into Struggle for Survival

Storm Off Sydney Swept Yachtsmen Into a Nightmare

By Neil MacFarquhar
New York Times Service

THE DAY after Christmas dawned bright and sunny in Sydney harbor, creating a flawless backdrop for the start of the 54th annual yacht race that runs from the shadow of the famous opera house to the island of Tasmania just south of Australia.

Powerboats by the hundreds bobbed through the blue water and spectators lined the shores, waiting for the noon cannon that would launch the 115 yachts. The start of the race, which draws vessels from around the world to the Southern Hemisphere, is considered one of the most eventful days of the Australian summer.

On a day when the temperature hit 84 degrees Fahrenheit (29 degrees centigrade), the crowds flocked to the sleek vessels flowing out into the Tasman Sea.

This year was considered something of a banner start because — for once — none of the giddy revelers sent a motorboat slamming into a yacht, knocking it out of the race before it left the harbor.

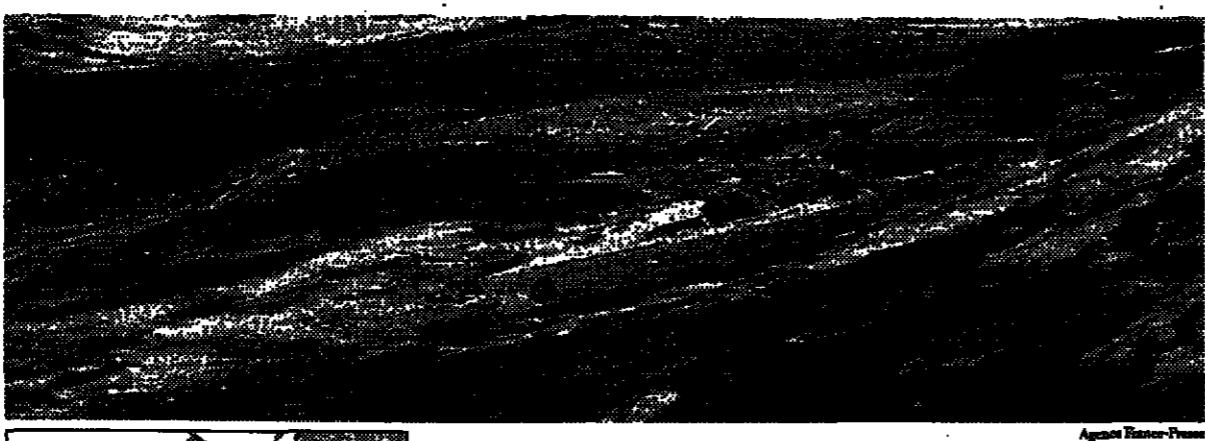
But far worse than an inadvertent collision lurked beyond the headlines that frame the harbor. Within hours, winds of hurricane force and waves like mountains slammed into the tender thoroughbred boats, frequently sending crew members into the chilly water, saved only by their harnesses.

The wind howled with a ferocity that made simple conversation impossible, and the cold, lurching sea prompted horrible bouts of seasickness. By the time it was over, several yachts had sunk and at least four yachtsmen had died. Two more are presumed dead.

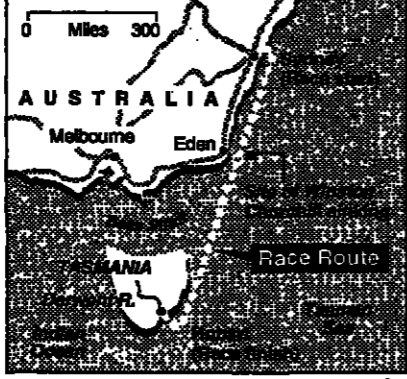
"It was as if I were on a wild bronco and 60-mile-per-hour fire hoses of water were shot at me," said Bill Erskens, captain of the 80-foot (24-meter) American yacht Sayonara, the first to finish.

Why did one of the five great ocean races in the world spin so quickly out of control, forcing the largest maritime civilian rescue operation in Australia's history?

In part it was because of the unexpected fierceness of the storm. Although severe weather was forecast, winds of 90 miles (145 kilometers) per hour are unusual for the summer.



Crew members of the dismantled yacht Stand Aside being tossed by huge waves as they await rescue by helicopter. At least four sailors died in the storm during the racing classic.



NYT

ability that the ocean might throw up conditions they do not have the experience to handle.

"Some crews are more experienced than others, but there are amateurs out there for fun," said John Rousmaniere, a boating writer who is a veteran of the previous major yachting disaster, when 15 people died off England in the 1979 Fastnet race.

In the years since, satellite images and long-range forecasts have made weather predictions much more sophisticated. Many boats now carry fax machines to get up-to-the-minute weather maps or can see the predictions on the Internet. In the case of the Sydney-Hobart race this year, weather forecasters quoted by The Sydney Morning Herald said that they informed the race organizers 24 hours before the storm hit that severe weather was approaching.

"I didn't think it would get much worse than 50 to 55 miles per hour," said Roger Badham of Maritime Weather Systems, the meteorologist for 20 boats, all of which made it through the race. "By Sunday at 9 A.M. it was clear that it would be horrendous. The land-based lighthouse reporting 100 mile-per-hour winds was shocking. I was a bit nervous then."

Mr. Erskens, the skipper of the Sayonara, described the conditions at sea: "A solid wave would come in the black night in unexpected moments and knock you flat," he said. "It hits hard and bruises

your ribs. One crewman broke his ankle when he was pushed off the high side of the boat."

The Sayonara's crew included its owner, Larry Ellison, chairman of Oracle Corp., one of the largest software makers in the world. As he looked back on the ordeal, he said: "This is not what it's supposed to be about. Difficult, yes. Dangerous, no. Life-threatening, definitely not."

RACB organizers said it was not up to them to call off the race as the weather intensified. Yachting rules generally specify that it is the skipper's decision whether or not to sail, and once the boats are at sea there is little that can be done.

"It's not like you can go into the dugout when it starts to rain at Yankee Stadium," Mr. Rousmaniere said.

It is also a tough decision to back out of a competitive event, especially one that involves months of preparations and about 10 crew members apiece on the 35- to 80-foot boats.

But with waves the height of a three- or four-story building, 70 boats abandoned the race and sought shelter. Six more were abandoned or sank, while 39 finished the race. Among those stuck in the tempest, Royal Australian Navy helicopters plucked almost 60 people out of the ocean.

For some the help came too late. Three sailors were lost from the yacht Winston Churchill, a 56-year-old vessel that sank; two were confirmed dead and one was missing. Two Australian sailors were found dead after their yacht, the Business Post Nalad, capsized.

The other missing sailor, Glyn Charles, 33, was swept off the Sword of Orion. He had been a member of the British sailing team at the 1996 Olympics in Atlanta.

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Policing Streetwise Kids

Scottish Town Sets Curfew on the Under-16s

By Warren Hoge
New York Times Service

HAMILTON, Scotland — The sight of sons and daughters standing beneath the porch light in police custody is not a settling one for parents in most places, but here it can be.

Hamilton, just south of Glasgow, is the first community in Britain to impose a curfew on its young people, with special child-safety police officers questioning anyone they know to be under the age of 16 on the streets after 8 P.M. and taking them home if they cannot supply a sound reason why they are out.

If there is no one at home — and in the gritty, hard-living housing project neighborhoods here, that is often the case — the children are taken to a community room set aside for the purpose in the station house until a family member comes for them.

While the measure has not unexpectedly drawn little praise from the youngsters themselves, it has met with almost unanimous approval from parents. Studies by Stirling University show that it has cut theft and vandalism, crimes associated with youth, by 49 percent and overall crime by 23 percent.

"It has been a great success," said Anne Gibson, 33, a resident. "The streets now are awfully quiet, and you're not trying to fight your way past cheeky kids if you go out at 9 o'clock."

Although the Glasgow area has a reputation for having some of the meanest streets in Britain, the kind of crime that the Hamilton curfew is aimed at curbing is more of the cheeky kid variety: youths on street corners marking out territory, smoking and drinking sweet Buckfast wine made by monks in Devon that sells here for \$6 a bottle.

"It's frightening," Karen Murphy, 62, said, describing how she used to be afraid to leave her two-story row house after dark. "You see four or five kids coming at you, and they may be all right on their own, but together in a crowd they're more aggressive. They have no respect for anyone and no fear in them."

Dun Graham, 13, said he and his friends did not like the police intrusions, and his sister, Melanie, 20, said she sympathized. "All they're doing is talking on the street, and they're doing the police stopping them," she said.

At the Hamilton Youth Project, Grace Quigley, 33, a counselor, reported: "They think the police jump to conclusions when they see kids standing

around. Often it's not abusive just cheek."

A colleague, Lorna Campbell, said the problem was not the youth. "Kids are abusive because their parents talk to them," she said.

Started a year ago in three housing projects where 6,000 people live, the curfew has now been extended to the entire town of Hamilton, which has a population of 49,000, and been adopted as a model for programs elsewhere in Britain.

Under a new Crime and Disorder Act passed by the British Parliament in London, communities in England and Wales will now be empowered to set up programs similar to the one here, which exists under Scotland's separate legal system.

The Hamilton experiment has attracted inquiries from law enforcement agencies in a number of European countries and has been studied by local academics interested in seeing that it strikes a balance between crime control and respect for civil liberties.

John Orr, chief constable of the Strathclyde County Police, said he had little time for "individuals on the minority fringe who carp and gripe about the so-called alienation of the generations and denial of children's rights."

In a report on the program, he said: "We do not allow young people to be in danger in the home, so we shouldn't permit it in the street. Our hope is that by taking vulnerable and impressionable youngsters out of harm's way, there will be a double spin-off. They will be safer, and they won't be tempted to get caught up in mischief-making or worse."

The word "curfew" stirs sensitivities, and anyone using it around the Strathclyde police will be quickly corrected. "We call it the Child Safety Initiative," said Louis Munn, chief superintendent in charge of the Hamilton program.

The British Parliament did not mind words. The part of the new law that outlines the proposal is called the Child Curfew Section.

Hamilton is a town with housing projects created in the 1960s for people driven out of Glasgow by urban renewal, and some of these areas have become caught up in more than just teenagers drinking cheap wine, scrawling graffiti on buildings and terrorizing passersby. In January, in the nearby project of Easterdale, a 13-year-old boy became the youngest person to die of a heroin overdose in Britain.

Anatoli Rybakov, Novelist, Dies at 87

By Michael T. Kaufman
New York Times Service

NEW YORK — Anatoli Rybakov, 87, whose long-suppressed novel about the Stalin era, "Children of the Arbat," finally appeared in 1987 to affirm the reality of glasnost, died Dec. 23 at his home in New York City.

His wife, Tatiana Rybakova, said he died in his sleep. She said the author's remains would be cremated and his ashes returned to Moscow, where he also had a home.

In 1987, when Druzhba Narodov, one of the Soviet Union's so-called "thick journals," published "Children of the Arbat," the reaction inside and outside the country was immediate and remarkable. In the Soviet Union, the magazine's circulation went from its normal run of 150,000 to 800,000. Abroad, the book's release sharply raised the credibility of President Mikhail Gorbachev's talk of new thinking, reform and openness.

Using fictional characters in a historical setting, the book described and

evoked the Stalinist past, portraying the lives of childhood friends from a Moscow neighborhood as they became enmeshed in the terror of the 1930s, some as prisoners in Siberian camps, others as apparatchiks compromised by opportunism. Stalin was portrayed mostly through imagined interior monologues as cunning, brutal and cynical.

But it was not the literary quality of the work that stimulated such a wide response. Irving Howe noted that it lacked "the lyricism of Boris Pasternak's 'Dr. Zhivago,' the moral fire of 'The First Circle,' the intellectual audacity of Valentin Grossman's 'Life and Fate.'"

Instead, Mr. Howe contended, "What we have here is a novel that seems made to order, decades in advance, for the Gorbachev moment. Tell more than anyone since Khrushchev about the time of terror, but don't stray too far from the party's orthodoxies and avoid the 'delicate' problem of the relations between the terror and the system. Boldness of presentation fades off into timidity of reflection."

It was precisely boldness of present-

ation that made "Children of the Arbat" so singular. This was, after all, a book that first appeared in the Soviet Union. It was not published in some underground venture and then reprinted abroad. It had been written 20 years earlier, and twice before, in 1966 and in 1978, was to have been serialized in journals only to have those decisions countermanded by Communist Party officials.

Moreover, it was written not by a marginal dissident, but by a writer who had been enormously well known throughout the Soviet Union for his children's stories, which four decades earlier had won him that imprimatur of orthodoxy, the Stalin Prize.

A short but stocky and powerful man, who had used his own experiences as a gulag prisoner, truck driver, war hero and dance instructor in "Children of the Arbat" and its two sequels, Mr. Rybakov was abashed by the criticism that related his work to that of Mr. Pasternak and Alexander Solzhenitsyn. "These are great writers and I am not trying to equate myself with them," he said in 1987. "But their books were published across the border, and mine was the first to be published in the Soviet Union."

Virginia Graham, 86, TV Host NEW YORK (NYT) — Virginia Graham, 86, who went from writing radio soap operas in the 1940s to becoming one of the most successful and enduring of the early television talk show hosts, died here Dec. 22.

For two decades, she presided over a series of television talk shows, among them "Food for Thought" from 1956 to 1961; "Girl Talk" (1963-69); and "The Virginia Graham Show" (1970-72).

Emilio Fernin Mignone, 76, a leading campaigner for human rights in Argentina after his daughter was among the thousands who disappeared in the military regime's "Dirty War," died of cancer Dec. 21 in Buenos Aires.

Mike McAlary, 41, a pugnaz tabloid reporter and columnist who won a 1998 Pulitzer Prize for commentary for the New York Daily News, died of colon cancer Friday in New York.

Jean-Claude Forest, 68, creator of the adult comic book series "Barbarella," died in Paris on Tuesday after a long illness.

Keisuke Kinoshita, 86, a prominent Japanese film director, died of a stroke in Tokyo on Wednesday.

WEATHER

Forecast for Friday through Sunday, as provided by AccuWeather.

Europe

City	Today	Low	High	Low	High	Low	High
Algeria	14-27	14-27	14-27	14-27	14-27	14-27	14-27
Amsterdam	10-15	10-15	10-15	10-15	10-15	10-15	10-15
Antwerp	10-15	10-15	10-15	10-15	10-15	10-15	10-15
Athens	18-25	18-25	18-25	18-25	18-25	18-25	18-25
Berlin	10-15	10-15	10-15	10-15	10-15	10-15	10-15
Birmingham	10-15	10-15	10-15	10-15	10-15	10-15	10-15
Bombay	24-30	24-30	24-30	24-30	24-30	24-30	24-30
Buenos Aires	18-25	18-25	18-25	18-25	18-25	18-25	18-25
Calcutta	24-30	24-30	24-30	24-30	24-30	24-30	24-30
Cairo	18-25	18-25	18-25	18-25	18-25	18-25	18-25
Cardiff	10-15	10-15	10-15	10-15	10-15	10-15	10-15
Chennai	24-30	24-30	24-30	24-30	24-30	24-30	24-30
Columbo	24-30	24-30	24-30	24-30	24-30	24-30	24-30
Dakar	18-25	18-25	18-25	18-25	18-25	18-25	18-25
Dhaka	24-30	24-30	24-30	24-30	24-30	24-30	24-30
Dublin	10-15	10-15	10-15	10-15	10-15	10-15	10-15
Edinburgh	10-15	10-15	10-15	10-15	10-15	10-15	10-15
Geneva	10-15	10-15	10-15	10-15	10-15	10-15	10-15
Hanoi	24-30	24-30	24-30	24-30	24-30	24-30	24-30
Hong Kong	24-30	24-30	24-30	24-30	24-30	24-30	24-30
London	10-15	10-15	10-15	10-15	10-15	10-15	10-15
Los Angeles	18-25	18-25	18-25	18-25	18-25	18-25	18-25
Madrid	18-25	18-25	18-25	18-25	18-25	18-25	18-25
Mumbai	24-30	24-30	24-30	24-30	24-30	24-30	24-30
Nairobi	18-25	18-25	18-25	18-25	18-25	18-25	18-25
Paris	10-15	10-15	10-15	10-15	10-15	10-15	10-15
Rangoon	24-30	24-30	24-30	24-30	24-30	24-30	24-30
Rio de Janeiro	18-25	18-25	18-25	18-25	18-25	18-25	18-25
Sao Paulo	18-25	18-25	18-25	18-25	18-25	18-25	18-25
Seoul	10-15	10-15	10-15	10-15	10-15	10-15	10-15
Shanghai	10-15	10-15	10-15	10-15	10-15	10-15	10-15
Singapore	24-30	24-30	24-30	24-30	24-30	24-30	24-30
Taipei	10-15	10-15	10-15	10-15	10-15	10-15	10-15
Tokyo	10-15	10-15	10-15	10-15	10-15	10-15	10-15
Yokohama	10-15	10-15	10-15	10-15	10-15	10-15	10-15

North America

Wind	Clouds	Sun	Snow

North America

Dry weather will be welcomed in the Northeast while California is dry and warmer. A large storm will take shape in the middle of the country and head seaward, spreading rain along the south with ice and snow farther north. Travel may be disrupted over large areas.

Europe

London and Paris windy and wet for the first couple of days. A cold front will bring rain 1996. Rain in Rome, while mostly dry. Of regions will be not normal, mainly sunny in Russia will be below-normal turns.

Maps, forecasts and data provided by AccuWeather

North America

Anchorage	Today		Tomorrow	
	High °F	Low °F	High °F	Low °F
Albuquerque	71-81	52-64	72-81	53-65
Atlanta	74-84	54-66	73-82	54-66
Baltimore	64-74	41-53	65-75	42-54
Chicago	32-40	10-18	33-41	11-19
Cincinnati	32-40	10-18	33-41	11-19
Cleveland	32-40	10-18	33-41	11-19
Denver	44-54	4-16	45-55	5-17
Detroit	32-40	10-18	33-41	11-19
El Paso	56-66	37-49	57-67	38-50
Houston	56-66	37-49	57-67	38-50
Indianapolis	32-40	10-18	33-41	11-19
Jacksonville	64-74	41-53	65-75	42-54
Las Vegas	57-67	38-50	58-68	39-51
Los Angeles	57-67	38-50	58-68	39-51
Memphis	32-40	10-18	33-41	11-19
Minneapolis	32-40	10-18	33-41	11-19
Miami	74-84	54-66	75-85	55-67
Montreal	27-37	14-27	28-38	15-28

Legend: wind, clouds, sun, snow, rain, thunder, hail, fog, ice.

THE AMERICAS

2000 Race Is On for Republicans as Senator McCain Launches a Test Bid

By Terry M. Neal
and David S. Broder
Washington Post Service

WASHINGTON — Senator John McCain of Arizona, a Vietnam War hero who has gained national attention for bucking his party on campaign-finance reform and tobacco regulation, on Wednesday became the first Republican to take formal steps toward running for president in 2000.

Although Mr. McCain, who was elected to a third term with a landslide victory in November, is traveling abroad, papers were filed on his behalf Wednesday with the Federal Election Commission creating a presidential exploratory committee.

The formation of an exploratory committee marks the first significant step forward in a campaign for president by John McCain, said Warren Rudman, the former New Hampshire senator, who will chair the committee.

Republicans around the country said that although Mr. McCain starts as a long shot, he could become a serious candidate in 2000, especially among voters turned off by Washington's raw partisanship of recent years.

Mr. McCain is known as a strong conservative, but has displayed an independent streak that has often frustrated and angered other Republicans. This year, he co-sponsored a major campaign-finance reform bill with Senator Russell Feingold, Democrat of Wisconsin, and led unsuccessful efforts to pass a national tobacco regulation bill.

Mr. McCain is the first of what is likely to be a long parade of Republican presidential hopefuls, including Governor George Bush of Texas, former Governor Lamar Alexander of Tennessee and the publisher Steve Forbes, among others. The 2000 campaign is the first in decades in which no one can claim on the basis of position that he is

"entitled" to the nomination.

Time and organization could work against Mr. McCain, who has spent less time building the framework for the increasingly complicated task of running for president than many of the other potential candidates.

Officials in New Hampshire and Iowa, the first states in the nominating process, said Mr. McCain had spent relatively little time in their states. Then there is the overwhelming pressure to raise money — experts predict candidates will need \$20 million to be competitive.

Several states, most notably California, have moved their primaries forward in 2000, requiring candidates to raise money faster and earlier than ever and diminishing the prospects of dark horse or poorly financed candidates.

"I would say aside from the process, McCain's got a tremendous prospect for growth," said a former Republican National Committee chairman, Haley Bar-

bour. "He's a national hero, attractive, well-spoken, high energy. And he's pretty well-known, even though he doesn't have a national name."

Mr. Feingold said Mr. McCain "has a willingness to take an honest look at an issue and say what he thinks."

"He does not feel constrained by anyone else's agenda," he added. "I'm not sure Republicans are smart enough to nominate him, but if they do, he will give us a run for our money."

Mr. Bush, son of the former president, is leading in the early polls and has a national fund-raising apparatus. But he has had little exposure to the primary-election voters who control the nomination. He has not made any decision on running, and likely will not do so until the spring, when the Texas legislature winds up its work.

Mr. Forbes and Mr. Alexander, who both sought the nomination in 1996 and have been on the campaign circuit con-

tinually ever since, are considered certain contenders. Former Vice President Dan Quayle is also geared up to run. The television commentator and columnist Patrick Buchanan, who ran in 1992 and 1996, is considering a third campaign.

Mr. Rudman said Mr. McCain's sponsorship of campaign-finance reform "is a problem among elected officials and party officials, but I think the rank-and-file voters agree with what he was trying to do." Some conservatives said Mr. McCain's role in the tobacco debate could prove troublesome among conservative primary and caucus voters.

The tobacco bill, aimed at curbing teenage smoking by increasing the cost of cigarettes, would have raised billions in government revenue for anti-smoking efforts nationwide. Conservatives complain that the bill was a "big government" solution to a social problem that taxpayers would have financed.

Mr. McCain, who opposes abortion,

received a 95 percent rating from the American Conservative Union in 1996. He has received broad support from Hispanics in Arizona, and urged the Republican Party to be more inclusive.

An internationalist on trade and foreign policy, Mr. McCain has given President Bill Clinton crucial support on several controversial issues. He backed Mr. Clinton's decision to send peacekeeping forces to Bosnia, and, as a Vietnam veteran, his endorsement of resuming normal diplomatic relations with Hanoi gave Mr. Clinton the political cover he needed to take that controversial step.

Mr. McCain, 62, a graduate of the U.S. Naval Academy whose father and grandfather were both admirals, was a U.S. Navy pilot in Vietnam. He survived the destruction of his fighter plane but spent more than five years in a prisoner of war camp, withstanding torture and refusing early repatriation offers from his captors in order to remain with his fellow prisoners.

Lott and Prosecutors Clash Over Witnesses

Clinton Trial Could Start Jan. 11, He Says

By Eric Schmitt
New York Times Service

WASHINGTON — The Senate majority leader, Trent Lott, and the 13 House Republicans planning to prosecute an impeachment trial of President Bill Clinton in the Senate have clashed over whether to call any witnesses.

Mr. Lott also proposed beginning the Senate trial on Jan. 11, after initial procedural steps next week, and finishing within two weeks, a timetable many Democrats dismiss as overly optimistic.

How long a trial lasts depends in large part on whether the Senate relies on the evidence gathered by the independent counsel, Kenneth Starr, or whether the House managers present witnesses.

"Are witnesses required? I don't think so," Mr. Lott, Republican of Mississippi, said in a telephone interview with The Associated Press.

"I think the record is there to be reviewed, read, presented in a form" that the House prosecutors choose, the senator said. "I think that would be sufficient."

But in their first strategy meeting since Dec. 19, when the House approved two articles of impeachment, Representative Henry Hyde, Republican of Illinois, who is chairman of the House Judiciary Committee, and his 12 handpicked managers agreed Tuesday that they had to present witnesses to make their best case to remove the president from office.

"We cannot proceed to a trial without witnesses," Representative Steve Buyer, Republican of Indiana, said after the meeting.

Representative Bill McCollum, Republican of Florida, said afterward, "I'd think they'd want to hear some people live."

The Senate, however, has control

over the rules and procedures of the trial, a fact that Mr. McCollum acknowledged Tuesday when he noted that the House managers were "guests" of the Senate.

Mr. Lott has made it clear that he wants the Senate to wrap up an impeachment trial quickly, although the White House could call witnesses in Mr. Clinton's defense.

But even one of the president's strongest Democratic defenders, Senator Robert Torricelli of New Jersey, said Tuesday, "There is a bipartisan belief that there should be no witnesses."

Under Mr. Lott's proposed schedule, the two articles of impeachment approved by the House would be read on the Senate floor on Jan. 7, the day after the 106th Congress convenes.

The trial, Mr. Lott said in an interview on NBC, would begin Jan. 11 and last "a week or two," with Jan. 22 being a target date for finishing. The president is scheduled to deliver his State of the Union address Jan. 19.

Under this scenario, the Senate would vote on the two articles: perjury before a federal grand jury and obstruction of justice. Most senators have said they do not believe there are the 67 votes necessary to remove Mr. Clinton. So if the president was acquitted, the Senate might vote on a resolution of censure.

White House aides were amused Tuesday to see the division among the Republicans over calling witnesses. And they said they were pleased with Mr. Lott's plan for a two-week trial, though they have not formally agreed to it.

Ranit Schmelzer, a spokeswoman for Tom Daschle of South Dakota, the Senate minority leader, said no one had "conclusively signed off" on Mr. Lott's proposal, including his insistence that no witnesses be summoned.



Representative Lindsey Graham, Republican of South Carolina, talking with reporters in Washington about his role as one of the House managers who will participate in the Senate impeachment proceedings.

"There is a feeling that that's the way they are moving," said Ms. Schmelzer, who noted that Mr. Daschle and Mr. Lott were talking at least twice a week during the congressional recess.

"There is no unanimous consent resolution that has been written," she said. "Until that happens, anything can happen."

But Ms. Schmelzer added that Democrats would like to see a speedy trial and that witnesses would probably make it more protracted.

The House managers, however, were nearly insistent on a full-blown trial with as many as 15 witnesses. While the managers did not discuss specific witnesses in their meeting, lawmakers said afterward that they could include Monica Lewinsky, Betty Currie, the president's secretary, and Vernon Jordan, Mr. Clinton's longtime confidant.

The managers and House Republican aides said they were stunned and angered by Mr. Lott's remarks, which they learned about from reporters and television news reports.

"It's like swimming the English Channel with your feet tied," said a House Republican aide. "It's a slap in the face of the House."

Mr. Hyde left the meeting without speaking to reporters, but aides said he was troubled by Mr. Lott's comments.

At their meeting, the House managers were assigned specific tasks for the trial. F. James Sensenbrenner Jr. of Wisconsin will give the opening statement. James Rogan of California and Mr. Hyde will give the closing arguments.

Four managers were assigned to prepare for witnesses. George Gekas of Pennsylvania, Steve Chabot of Ohio, Christopher Cannon of Utah and Mr. McCollum. Asa Hutchinson of Arkansas, Ed Bryant of Tennessee and Mr. Rogan would question and cross-examine witnesses.

Three managers would argue procedural motions. Lindsey Graham of South Carolina, Charles Canady of Florida and Mr. Buyer. Bob Barr of Georgia and Mr. Sensenbrenner would deal with any evidentiary objections.

AMERICAN TOPICS

For Makah Tribe, New Era of Whaling

The Makah Indian tribe has waited more than 70 years to return to the Pacific to hunt gray whales. For some, the last three months have been among the longest.

No one in Neah Bay, Washington, home to some 2,000 Makah, has ever hunted the whale. The Associated Press reports. There is much to learn, and time has taken away the teachers.

Reporters rushed to Neah Bay in September after hearing that the tribe's first whale hunt in decades was under way. The hunt had stopped in the 1920s, with the world whale population near extinction. But since Oct. 1, when the tribe was officially cleared to hunt, the Makah have yet to venture into the Pacific to search for a whale. Foul weather, inexperience and mechanical problems have conspired to keep harpoon from target.

The Makah are trying to re-create a store of lost knowledge. Some elders remember tasting whale meat as children. Some of the women were taught

how to prepare the meat. Some of the men know how to fashion whaling canoes from tall red cedar. But no one knows how to whale. And hunting the whale — especially in small boats, especially in winter seas, especially gray whales — is dangerous.

Traditionally, whaling families mounted their own hunts, with their own secret preparations and sacred songs. Today, there is a pool of 17 men to fill out an eight-man whaling crew. There is one canoe and two motorized support boats. The plan is to follow a ceremonial harpoon strike from the canoe with high-powered rifle fire from the support boats, trying for a quick, humane kill. But the gray whales' southward migration is running late and could come during the winter storm season, a dangerous time of 25-foot (8-meter) swells and howling winds.

The tribe is allotted a maximum of five whales a year. For now, all attention is on the first one.

Short Takes

When the mayor of Melrose, Massachusetts, a middle-class Boston suburb, gave his inaugural address in January, he said something that caught everyone's attention: He asked everybody to be nicer to one another. It appears they listened.

Mayor Pat Guerriero said he had heard adults swearing in front of children and seen young people seated on buses while their elders stood.

The public agreed that change was needed; a committee was promptly formed. But no one could find examples of communities that had tried to promote courtesy. So members came up with ideas: Clergy preached at each other's houses of worship. City government held an open house. The public library sponsored a photo contest of smiling residents.

Results: Teenagers' table manners have improved, parents have volunteered to paint classrooms, and politicians have exercised restraint in public debates. Melrose, its people say, is now the place to be.

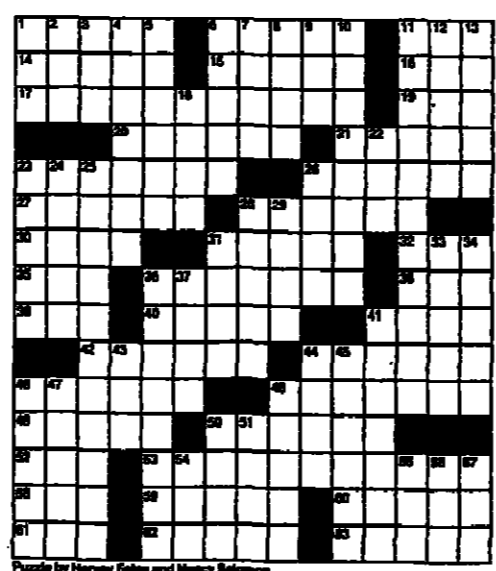
A group called the Sons of Confederate Veterans has won court approval in North Carolina to apply for a special license plate that could feature the Confederate battle flag, a logo criticized for its Civil War-era ties to slavery. The group won a similar ruling last year in Maryland.

Malcolm X, one of the more controversial black leaders of the 1960s, will be honored with a postage stamp. As a leading figure in the militant Nation of Islam, he advocated racial separation. But before his assassination in 1965, he had broken with the Nation of Islam to call for an ethic of racial tolerance and inclusion.

Brian Knowlton

CROSSWORD

- ACROSS**
- 1 Across Gaylor
 - 6 "in vista, baby!"
 - 11 Serpent's sound
 - 14 Flareup of crime?
 - 15 Dazzling pictures
 - 16 Goon
 - 17 Watch a shaly Japanese money market?
 - 18 Passing assistance?
 - 20 Lean and lovely
 - 21 With 32-Down, 1970 Nobel Prize recipient
 - 23 Cold war foe
 - 26 Contemptuous looks
 - 27 Unblocks
 - 28 Litigator
 - 29 d'OUVE
 - 31 Fictional hero first filmed in 1920
 - 32 N.Y. winter hrs.
 - 33 Not straight
 - 34 What each of today's four long answers is vs. 6-16 New Year's Eve
 - 35 The Seine is full of it
 - 36 Pitches
 - 37 Words for actors
 - 38 Briefly
 - 39 Stand on a limb
 - 40 Run in the row
 - 42 Dessert not for the diet-conscious
 - 43 Popular magazine since 1928
 - 44 Off drugs
 - 45 Jean of "Bombshell"
 - 46 Get one past
 - 47 This little poem or that?
 - 48 Kitten's cry
 - 49 Lighthouse sites
 - 50 Fall away
 - 51 Prefix with Columbian
 - 52 Forties fur
 - 53 Andrew Durning of "Hercules"
 - 54 J. C. Penney rival
 - 55 Takes home
 - 56 Wedding notice word
 - 57 Pronunciation symbol
 - 58 Prayer opening
 - 59 Sheep with all its marbles?
 - 60 She played Darlene on "Roseanne"
 - 61 Writer's reference
 - 62 Does the wrong thing
 - 63 Author Grey
 - 64 See 20-Across
 - 65 Wild boar features
 - 66 Astronomical data providers
 - 67 Bank-washer in Cairo
 - 68 Suds source
 - 69 Cereal box info
 - 70 Shopaholic's delight
 - 71 Pirates' stashes
 - 72 Flague
 - 73 Cause of a nasty gut feeling?
 - 74 Basketball tactic
 - 75 Hoops
 - 76 Staircase
 - 77 Down-home turn-down
 - 78 Rip off
 - 79 Star Wars letters
 - 80 Electrifying swimmer



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Away From Politics

• The United States added more than 2.5 million people in 1998, the Census Bureau reports, estimating that the population, as of Jan. 1, will be 271,645,214. (AP)

• The state police have set up a Web site with the names, photos and addresses of convicted violent sex offenders in Virginia. The address for the Web site is www.vsp.state.va.us. (AP)

• Thirty-one wild horses were found shot to death in western Nevada, authorities said. Investigators do not believe the killings are related to disagreements between ranchers and government managers of wild horses. (AP)

• A young woman who locked herself in her disabled car, a handgun in her lap, and then fell asleep, was killed by police officers in Riverside, California, sent to rouse her. Apparently startled as the officers tried to wake her, Tyisha Miller, 19, fired once. The officers shot back, killing her, the police said. (LAT)

• A federal judge in Kentucky has ruled that two teenagers — Soner Chipman, 17, and Chastity Glass, 18 — who claimed they were denied membership in their high school's National Honor Society because they got pregnant must be admitted. (AP)

POLITICAL NOTES

Ex-Senator Nunn Can't Stay Away

WASHINGTON — For former Senator Sam Nunn, the more things have changed, the more they have stayed the same — up to a point.

As chairman of the Armed Services Committee during the late 1980s and early 1990s, the Georgia Democrat spent hours presiding over lengthy hearings on weapons proliferation. He spent days trudging through Russia with Senator Richard Lugar, Republican of Indiana, to monitor compliance with the weapons dismantlement program that they spearheaded after the Soviet Union collapsed.

One day this month, Mr. Nunn, a private citizen for nearly two years, was presiding over a daylong conference on weapons proliferation at a Washington research institute. He had just returned from yet another weapons-monitoring jaunt to Russia with Mr. Lugar.

Like some of his fellow senatorial retirees, probably more than most, Mr. Nunn has continued his favorite senatorial pursuits, such as arms reduction and other national security matters, the same fields he plowed in the Senate, where he earned a reputation as the Democrats' leading expert on defense policy. (WP)

Most States Reach Workfare Targets

WASHINGTON — The first official data from the federal government show that most states are meeting the work requirements of the 1996 welfare law, with 28 percent of adults on the rolls participating in some type of work activity, administration officials said Tuesday.

But it is unclear whether states will be able to meet the more stringent requirements that take effect in the next few years.

"The welfare reform law was designed to promote work, and that's exactly what's happening," President Bill Clinton's chief domestic policy adviser, Bruce Reed, said. "More people on welfare are working, and more people are leaving welfare to go to work." (NYT)

JPL 100.1520

A More United Europe Worries About Globalizing NATO

By Joseph Fitchett
International Herald Tribune

PARIS — In 1998, Europe seemed to find its footing in NATO's post-Cold War posture, finally making a promising start on European military cooperation, demonstrating a new readiness to use force and pulling down barriers to consolidating its national defense companies into Europe-wide industries.

Ultimately, these moves could lead to a more balanced security relationship between the United States and its allies, according to NATO officials.

Taken with the smooth closure this year of alliance enlargement to include three new members from Central Europe, there seems to be much to celebrate next year when Washington hosts ceremonies marking the 50th anniversary of the North Atlantic Treaty Organization.

But just when they need time to work through their promising changes and help from the United States in completing them, the European allies risk running into political snags in Washington because of U.S. wishes to recast NATO in a role approximating a global policeman — a futuristic vision of the alliance that European policymakers see as premature now, and perhaps forever.

The White House seems hopeful of launching "global NATO" at the NATO summit meeting in April as a historic initiative starting President Bill Clinton as warrior-statesman, with a supporting cast of 18 allied leaders and conceivably President Boris Yeltsin of Russia.

A National Security Council official said last week that "the NATO theologians are codifying fresh visions for their favorite organization, and the spin doctors see colossal opportunities for the president to bask in TV screens."

For most allied governments, the timing is wrong because they already have their hands full trying to nurse the single currency, the euro, through its infancy. And they fear an open-ended debate, saying it would change little except on paper and could prove divisive just when trans-Atlantic understanding is needed to help Europe assume more of the Western security burden.

Usually, the shoe is on the other foot, with Washington insisting on substance while many allies get stuck on questions of style. At NATO headquarters, officials have recycled last year's favorite anecdote — about a French diplomat complaining that "NATO obviously works in practice, but where's the theory?" — and the joke is now redirected

at the sudden signs of an American obsession with doctrine.

For once, "Britain, France and other European governments feel that they are moving seriously on defense, so they want Washington to let the alliance stand on its laurels and not roll allied relations," a pro-American ambassador at NATO headquarters said.

Broadly agreeing, David Wright, Canada's ambassador to the alliance, said that the unity "achievable in the face of a grave humanitarian crisis in Kosovo may be more elusive as we prepare a theoretical framework" for the Washington summit.

In practice, NATO's changes this year seemed to point toward a post-Cold War configuration enabling the alliance to cope with most foreseeable security contingencies, NATO officials said.

History may well single out Kosovo as the catalyst for European seriousness about defense: It spotlighted the situation in which, 10 years after the Cold War's end, three years after Bosnia, Europe still depends on Washington to take charge in managing a crisis in a part of Europe where the United States has no vital interest at stake.

For most European allies, it was an agonizing change in their traditional security policies to accept the U.S. view that

NATO needed to intervene in the crisis without specific approval from the United Nations Security Council. In the process, American and European officials said in recent interviews at NATO headquarters, the allies seemed to change their thinking on two fundamental points.

The situation convinced European governments, notably France, that U.S. leadership via NATO remains indispensable in meeting any significant military challenge on the Continent.

Secondly, it convinced allied countries, notably Britain, that the allies needed to start developing their own military muscle to deal with crises where there is no obvious justification for U.S. forces to be involved — or risk losing support in Congress for U.S. engagement in Europe and NATO.

The result was a new constellation of European countries in charge of security policy. Britain, long wary of involvement in Europe, took the initiative on cross-border mergers in the defense industry and in launching cooperation among Europe's armed forces.

France seized the opportunity to work with Britain in security affairs, shedding much of the anti-American rhetoric that has been the subject of most French steps in this direction.

Germany, the centerpiece of NATO

when it was focused on territorial defense in the center of Europe, has joined the movement led by Britain and France toward reshaping national military forces to start fighting small wars outside Western Europe.

Theoretically, this approach could give Europe five years from now a 50,000-strong expeditionary force with enough self-confidence, firepower and advanced equipment to take care of a future Kosovo without direct U.S. involvement.

In the meantime, European officials say, NATO can thrash out its own guidelines about how far and for what goals these forces should be dispatched.

Too slow, say activists in Washington, who want NATO to sign up for missions as far away as the Middle East and to formalize its own role in fighting arms proliferation and terrorism.

In addition, some voices in Washington want NATO to broker more industrial cooperation so that European allies get access to the latest computer-based defense technologies. Already changing the way U.S. forces will fight future wars, this revolution in military affairs will have to spread among the allies if they are going to be able to operate effectively together.

"We see NATO as a bicycle that has to keep moving or else the rider falls off, so there's a feeling that we need to be very forward-leaning," an American official said, predicting that Congress and the media would react negatively if the Washington summit failed to produce initiatives aligning NATO more closely with U.S. concerns about global security.

That pace alarms Europeans, who feel the NATO bicycle already has sufficient momentum and could suffer from an attempt to spell out broad ambitions right now.

Take the sensitive issue of the Clinton administration's wish to formalize NATO's readiness to act without a Security Council mandate. European governments would prefer to stick to what a French policymaker called the "constructive ambiguity" about the grounds for intervention in Kosovo that produced NATO unanimity by allowing each government to find its own terms for justifying the controversial step to its own public opinion.

"We will do it again if necessary, but we have no intention of giving NATO a blank check," a French official said.

Anyway, added a British official, "It's not good for NATO to arrogate to itself what sounds like a unilateral right — if only because it might give similar ideas to the Russians or the Chinese about invading some small neighbor of theirs."

The European dilemma about the Security Council, which France and most other allies regard as a major source of their international prestige, was abruptly aggravated this month by the U.S.-British air raids on Iraq.

If allied governments acquiesce in U.S.-led operations that sideline the Security Council, it weakens the world body. But if they reject U.S. calls for allied solidarity, it could push Washington toward greater unilateralism and ultimately bring on the demise of the Security Council. The way out of this dilemma, European officials said, is to treat the question on a case-by-case basis without the doctrinal alignment that appeals to Washington.

European hopes of a hearing for their ideas are pinned on Washington's recognition that the allies have launched real changes. The French foreign minister, Hubert Vedrine, pointed out in a recent interview that his government would provide the NATO extraction force to rescue international monitors in Kosovo, a dangerous mission because Serbia has threatened to fire on any foreign troops.

France's commitment fits a pattern, according to an American official, in which "France has seized every opening for months to get pragmatically engaged in NATO."

That approach should help soothe the jittery nerves in Washington about the European defense cooperation announced last month.

Britain's involvement in this plan offers reassurance that NATO will not suffer. And by playing the military card to offset Britain's declining economic influence in the single-currency European Union, Prime Minister Tony Blair also had an eye on Washington. British officials said, explaining that London realizes its status in Washington depends on Britain being important in some sphere of European Union affairs.

Britain has also led the way as European countries, finally, this year, including France, privatized their defense industries, a crucial condition for cross-border mergers in Europe and perhaps eventually trans-Atlantic cooperation.

We Know What the Alliance Does, but What Is It For?

Ahead of the North Atlantic Treaty Organization's high-profile summit meeting next year, European policymakers fear that the alliance could overreach itself in setting new political guidelines suggested by the United States. Joseph Fitchett of the International Herald Tribune discussed the situation with Francois Heisbourg, chairman of the Geneva Center for Security Policy, which provides training in democratic practices for midcareer officers from former Warsaw Pact nations under a NATO program, Partnership for Peace.

Q: What is NATO's urgent agenda?
A: We know what NATO does — it manages the trans-Atlantic relationship — and we know it has found a new, constructive role in Bosnia and, hopefully, in Kosovo. So the time has come to figure out what it is really for. This involves big questions — for example, Russia's future place in the scheme of things — that needs to be discussed, but that could not and should not be settled at the NATO summit. There is a risk of over-

Q & A / Francois Heisbourg, Defense Analyst

load that can be avoided with diplomatic fudge. For example, now that NATO already operates outside its traditional theater in ex-Yugoslavia, how far should it go? If it's one of those questions that allies can discuss but shouldn't try to answer.

Q: Why does Europe object to the idea of a "global NATO?"

A: The United States is a global power and Europe is not. It would be a mistake for the Europeans to pretend that they can act as one when they have neither the will nor the ability to do so. Nor do I see any sign that the Americans want to play the political quid pro quo for Europe to take a forward strategic stance. I don't think Washington wants to see the Europeans muscling in on the Taiwan issue or the Arab-Israeli peace process. What Americans should ask is: Would European defense cooperation serve U.S. interests in Europe? It would.

Q: Can NATO promote trans-Atlantic integration in the defense industries?

A: No, that's up to the companies that make weapons and the countries that buy them. Faced with a handful of mega-defense firms in the United States and soon in Europe, European procurement authorities will be dwarfed by their suppliers, so these governments have to get together. In all our countries, the operational grays and the taxpayers will demand the benefits of more competition, which can only come if all our companies can operate in all our markets. Third, better cooperation is essential so that computer-based technologies flow to the allies and we get the optimal outcome of the U.S.-led revolution in military affairs. Cold War machinery set up to protect U.S. secrets now prevents Europeans from substantive trans-Atlantic defense industrial cooperation. U.S. defense firms are starting to recognize this as European companies get big and competitive enough to negotiate with seriously.



Francois Heisbourg discussing the NATO agenda at its summit nears.

Cyprus Party Threatens To Pull Out of Coalition

NICOSIA — The Socialist junior partner in the government of Cyprus threatened Wednesday to pull out over a decision to cancel the deployment of Russian-made missiles on the divided island.

"For reasons of political credibility and sincerity, the political bureau is recommending to the Central Committee of the party its immediate withdrawal from the government," said Vassos Lyssarides, the chairman of the EDEK Socialist Party of Cyprus.

Expert Witness Links Anwar to Mattress Stains

KUALA LUMPUR — A government chemist told a Malaysian court Wednesday that some sexual fluid stains found on a mattress belonged to former deputy Prime Minister Anwar Ibrahim and the wife of his former private secretary.

Lim Kong Boon said at Mr. Anwar's sex and corruption trial that DNA analysis showed 13 stains on the mattress were from Mr. Anwar, the woman, Shamsidar Taharin, another male and two other women. He did not identify the others.

He said the possibility of another male from Malaysia having the same DNA profile as the sperm stains attributed to Mr. Anwar was "approximately one in 59 billion."

The prosecution says the mattress came from an apartment where Mr. Anwar had been rumored to have held trysts with Shamsidar Taharin.

The defense implied the mattress could have come from Mr. Anwar's former official residence shared with his wife and family.

"The DNA identifier showed that there were five sources, two males and three females from the seminal stains," Mr. Lim said.

"My reference to Male 1 based on the DNA result I obtained is Dank Seri Anwar Ibrahim," he said.

Mr. Anwar, arrested in September, has pleaded not guilty to five counts each of corruption, allegedly abusing his power to stop police probing allegations of sexual misconduct, and sodomy.

He has said he was framed by enemies bent on destroying his political career.

Mr. Lim told the court that two of the spots on the mattress were "mixed stains" from Mr. Anwar and Shamsidar Taharin, the wife of Mr. Anwar's former private secretary, Mohd Azmin Ali.

Mr. Anwar's lawyers objected to Mr. Lim's method in identifying their client, saying a sample of Mr. Anwar's blood used to compare with the seminal stains had been drawn for a HIV test, not a DNA test.

But Judge Augustine Paul, citing cases of precedent in three other countries, ruled that the method was admissible.

He said the committee would meet Saturday to make final decisions.

The party's departure would not endanger the government, which is based on a presidential system, but it would prompt a cabinet shuffle. Mr. Lyssarides's party has two ministerial posts in the government of President Glavkos Klerides.

After talks in Athens on Tuesday, Mr. Klerides announced that the S-300 missiles would be not be deployed on Cyprus. He said he would negotiate with Moscow for the deployment of the surface-to-air missiles on the Greek island of Crete. The missiles have been packed and are awaiting shipment from Russia.

Mr. Lyssarides is a staunch supporter of deployment on Cyprus.

"We see the decision to deploy the defensive system in Crete as wrong and harmful to national interests," he said. "This decision will unfortunately have painful consequences on Cyprus and Hellenism." Earlier, he said that the decision would be interpreted as "a concession to Turkish pressure, Turkish blackmail."

Turkey, which has occupied the northern third of Cyprus since invading after a brief Greek-inspired coup in 1974, had threatened to destroy the missiles if they were deployed on Cyprus, saying they would pose a danger to mainland Turkey.

The Turkish foreign minister, Ismail Cem, warned Wednesday that deployment on Crete would increase tension between Greece and Turkey.

"Such a plan to deploy S-300s on Crete would increase an already dangerous situation in the Aegean," Mr. Cem said at a news conference. "I find it incredibly wrong that one NATO-member country should bring missiles to threaten another NATO country."

Turkey and Greece, partners in the North Atlantic Treaty Organization, have long been at odds over territorial rights in the Aegean and over Cyprus.

Asked whether Ankara planned to issue a threat against Greece as it had against Cyprus, Mr. Cem replied, "Theoretically, in Crete or elsewhere, if there is a threat directed toward Turkey we will analyze the threat and react with appropriate means according to the scope of the threat."

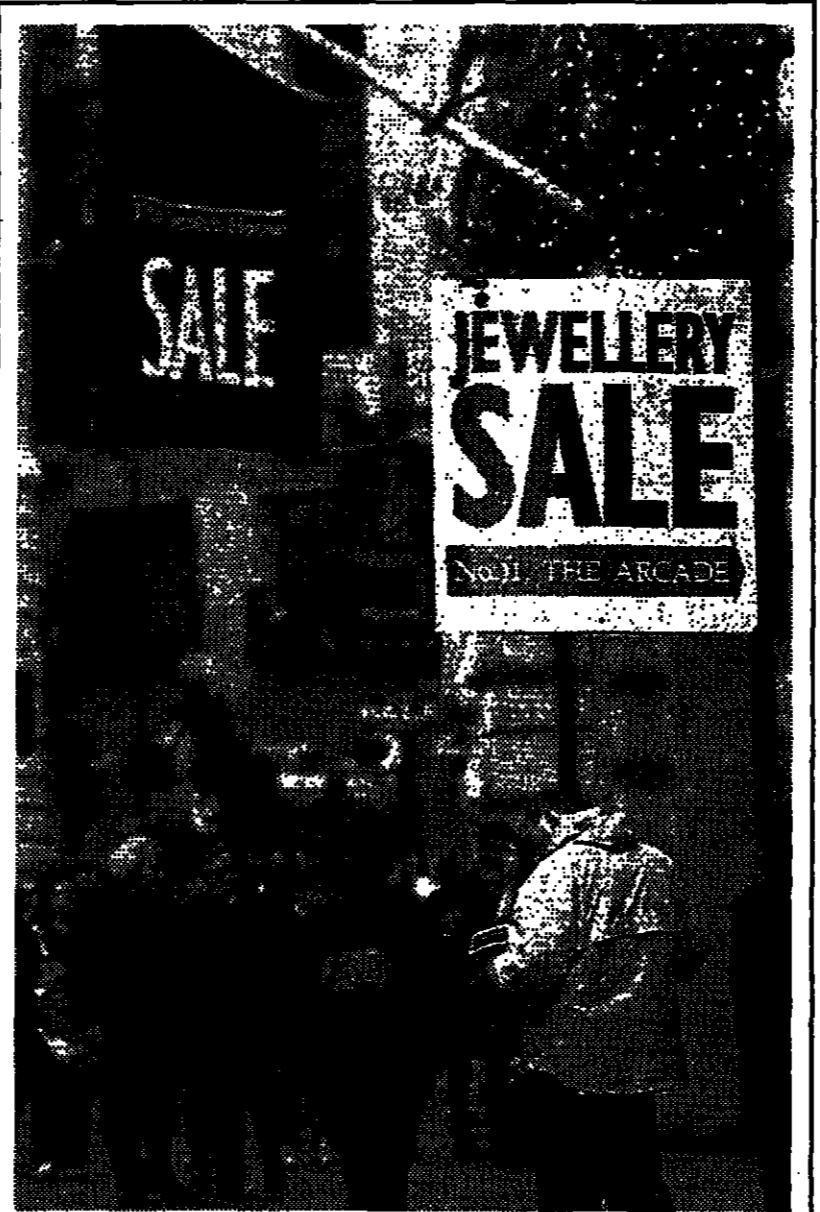
Prime Minister Costas Simitis of Greece also came under political attack Wednesday.

Alekos Alavanos, a European Parliament deputy for Greece's Coalition of the Left, said: "It is like ordering a bathtub for your house and being forced to put it in the neighbor's house."

But Western allies of Greece and Turkey heaved a sigh of relief at the changed plans for deployment, a move that was expected to reduce tension between the two countries.

Austria, which holds the European Union's rotating presidency, said the decision showed that the EU had been correct to put Cyprus on the fast track to membership, a move which was deeply resented by Turkey.

Germany, which will take over the EU presidency on Friday, called for cuts in "the dangerously high level of weaponry on Cyprus" and urged Turkey to reduce its military presence on the island.



BARGAIN HUNTING — Londoners checking out the sales on Regent Street on Wednesday as millions of Britons — but fewer than last year — flocked to shops in search of end-of-year bargains.

Rigidity of Key Players Seen Fanning Fire in Kosovo

By R. Jeffrey Smith
Washington Post Service

BELGRADE — When Ambassador Christopher Hill of the United States traveled to rebel-held territory in Kosovo to present the latest draft U.S. proposal for resolving the crisis in the Serbian province, the rebels flatly rejected it.

When he gave it to a negotiating team headed by more moderate ethnic Albanians in Kosovo's capital, Pristina, they too rejected it, and when its provisions were published in newspapers here, the Yugoslav government spat on it.

In some negotiations, disagreement among the key players can be taken as a sign that the talks are progressing toward a genuine compromise. But not in the Balkans, according to senior U.S. officials. They say key players in the Kosovo conflict are all still confident that they know best, that others are at a larger disadvantage and that the international community in the end will force their opponents to yield more ground.

This negotiating dynamic — including a rigid attachment to principle, a lack of urgency and optimism on each side that

the conflict can be manipulated to its benefit — accounts for the persistent tensions that led to the upwelling in violence last week between rebel and government forces in Kosovo, said the officials, all familiar with the negotiations conducted so far at Washington's behest.

The fundamental problem is that "neither side is ready for a deal right now," a senior U.S. official said. "Think of the Midwest. Think of Northern Ireland. Forget Bosnia. Forget the Dayton Accords," which ended the Bosnia conflict and were forged in a matter of weeks.

Washington's aim in organizing shuttle diplomacy between the two sides during the past six months was to persuade the Yugoslav government and rebel forces fighting for an independent Kosovo to back away from the violence that held sway for most of the year.

Instead, it was hoped that the opponents would accept a half-loaf, temporary solution that provides more autonomy for the majority ethnic Albanian population in Kosovo but defers any decision on the province's final legal status.

But the ethnic Albanians spurned Washington's latest draft solution, a 28-

page document prepared by State Department lawyers working with Mr. Hill, who is ambassador to Macedonia and the special U.S. envoy for Kosovo matters.

The ethnic Albanians said the U.S. initiative did not go far enough toward removing Serbian control of Kosovo.

Ethnic Albanians, who compose nine-tenths of the population, almost uniformly favor independence for Kosovo from Serbia, the more important of the two republics in the Yugoslav federation.

Fehmi Agani, a member of the moderate wing of the ethnic Albanian leadership, said that the latest U.S. draft offered less than "50 percent of the autonomy that we had" before 1989, when Slobodan Milosevic, the Yugoslav president, revoked the province's autonomous authority.

Mr. Agani was particularly critical of provisions in the draft that say that a Kosovo council would "decide" in an earlier

BRIEFLY

German Party Hires Ex-Communist Spy

BONN — Despite criticism from conservatives, the former East German Communists held fast Wednesday to their plan to hire a convicted spy who betrayed North Atlantic Treaty Organization secrets during the Cold War.

Rainer Rupp, a West German who worked as a communist mole at NATO headquarters in Brussels from 1977 to 1989, has been serving a 12-year prison term since his 1994 conviction for spying. But he was moved Monday to a minimum-security facility, meaning he can hold an outside job during the day. He said he would work on a contract basis as an adviser on foreign and security affairs for the Party of Democratic Socialism's parliamentary faction.

Conservative lawmakers called the proposal "grotesque" and "cheeky" and said they would ask a parliamentary rules committee to examine the case. (AP)

Pakistan Court Lifts Bhutto Travel Ban

KARACHI, Pakistan — Former Prime Minister Benazir Bhutto left for Dubai on Wednesday after a court overruled a government decision banning her from leaving the country.

On Monday, immigration authorities stopped Miss Bhutto at the Karachi airport, saying she was banned from leaving the country because of corruption cases pending against her in several courts. Her lawyers appealed the decision.

A spokesman for Miss Bhutto's opposition Pakistan People's Party said Wednesday that she would remain in Dubai for several weeks visiting her son and two daughters who live there. (Reuters)

Friendly Fire Kills Israeli in Lebanon

JERUSALEM — An Israeli soldier was killed and two were wounded before dawn Wednesday when one Israeli Army unit mistakenly opened fire on another in southern Lebanon, an army commander said.

The two units had started out together on a patrol in Israel's self-declared security zone in Lebanon, but they were separated when one group lost its way.

"The rear unit separated from the front forces and mistakenly thought they were terrorists," Brigadier General Etti Eitan, an army commander in the area, told Israel radio.

"The rear force opened fire on the front force." (AP)

Scottish Avalanche Kills 4 and Hurts 3

EDINBURGH — Two men and a woman were recovering from hypothermia in a hospital on Wednesday after surviving for more than 15 hours entombed under an avalanche of snow that killed four others on a mountain in northern Scotland.

Rescuers and doctors described the survival of the three as miraculous. Police officers and rescuers said six young people from England and their Scottish guide were buried by snow Tuesday morning while on a winter skills course not far from the highest peak in Britain, Ben Nevis. Rescuers were alerted 12 hours later after the group failed to return to their base. (Reuters)

For the Record

More people around the world will need humanitarian assistance in 1999 because of 1998 crises like the hurricane designated Mitch and economic collapses in Indonesia and Russia, a United Nations agency that delivers emergency food aid said Wednesday in Rome. (AP)

Major reformist political organizations supporting President Mohammed Khatami of Iran have joined forces against conservative rivals for upcoming municipal council elections, newspapers reported Wednesday. (Reuters)

صلى الله عليه وسلم

BRIEFLY

**German Party H
Ex-Communists**

BERLIN — The German conservative government on Monday announced that it would strip citizenship from 1,000 former East German citizens who had joined the National Democratic Party (NDP) in 1990. The NDP, a far-right party, was founded by former East German officials and has since become a major political force in the eastern part of Germany. The government's move is part of a broader effort to combat extremism and ensure the integrity of German citizenship.

**Pakistan Court
Bhutto Travel**

KARACHI — Pakistan's Supreme Court on Monday ruled that the government must allow Benazir Bhutto to travel abroad. Bhutto, the daughter of the late Prime Minister Zulfikar Ali Bhutto, has been under a travel ban since her arrest in 1997. The court's decision is a significant victory for Bhutto and her supporters, who have been demanding her release and the right to travel.

**Friendly Fire
Israeli in Lebanon**

HAIFA, Israel — A friendly fire incident on Monday resulted in the death of an Israeli soldier in Lebanon. The incident occurred during a military operation in the region, where Israeli forces were engaged in combat with Hezbollah militants. The soldier was killed by a stray bullet from a friendly fire unit. The incident has raised concerns about the safety of Israeli troops in the field.

**Scottish Train
Kills Landfill**

GLASGOW — A train on Monday crashed into a landfill site in Scotland, killing a dog. The train, which was carrying passengers, derailed and fell into a deep pit. The dog was killed by the impact of the train. The incident has led to investigations into the safety of the railway and the landfill site.

For the King

MANCHESTER — A man on Monday was charged with the murder of a woman. The woman was found dead in a park in Manchester. The man, who is 35 years old, is accused of killing the woman. The police are currently investigating the case and have not yet announced any further details.

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Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Defiant Saddam

Military action by Iraq seems mostly a gesture by Saddam Hussein to show that he is still capable of at least a symbolic defense of Iraqi sovereignty after four days of American and British bombing in mid-December.

His armed forces, unprovoked according to an American report, engaged in a rare firing of surface-to-air missiles at American and British planes conducting a routine patrol on Monday to deny Iraqi planes use of airspace over large swaths of northern and southern Iraq. The Iraqi missiles missed their apparent targets, and the NATO planes, according to Iraqi as well as allied reports, destroyed a missile site in return. [Further incidents occurred on Wednesday.]

Saddam Hussein appears to be in a particularly defiant mood. He is not only taking larger risks with those of his military forces which rode out the allied air strikes of Dec. 16 to 19. He is stiffening his reputation of United Nations disarmament inspectors, excluding UN relief workers and warning that he may cut off the program that allows Iraq to sell 54 billion worth of oil a year for food and medicine for his struggling civilian population.

He is inflicting this damage, moreover, at the expense of his standing with countries otherwise inclined to feel that Iraq has suffered enough since the 1990-1991 Gulf War. These countries include Security Council members Russia and France, and Arab countries as well. Egypt's president, Hosni Mubarak, spoke for them all on Tuesday when he expressed his helplessness to aid the Iraqi people: "The regime in power is the root of all problems."

President Bill Clinton treated Monday's military incident as "an important part of our containment policy." It is the same basic rationale he used to explain the far more extensive bombings of Iraq earlier in the month. Containment has been successful so far in keeping Saddam Hussein from posing a military threat to neighboring countries. But of course the policy has been successful only to an uncertain degree in denying him the means to build weapons of mass destruction, and it has not been successful at all in accomplishing the one policy goal that counts the most: his departure from power and his replacement by a government that owes its authority to the Iraqi people.

—THE WASHINGTON POST

Cyprus Thinks Again

For no good reason, the president of Cyprus — that is, the president of the Greek part of the divided island — decided to acquire anti-aircraft missiles from Russia and deploy them against a claimed threat from Turkish Cyprus and its patrons in Turkey. It was mischievous of the Russians, an unfriendly act to the West, to insert themselves into a dispute between two NATO members in the eastern Mediterranean. It was excessive of the Turks to threaten armed retaliation in the event the missiles were deployed. But plainly the original provocation was that of President Glavkos Klerides. He is the single figure most responsible for the possibility that a diplomatic confrontation might yet become a war.

Not for the first time, the Cypriots — the 80 percent (of 750,000) who are Greek and the 20 percent who are Turkish — created a dangerous situation but were unable to resolve it by themselves and then forced it on the attention of foreign powers and the United Nations. The outsiders have sought to delay, divert and reverse the Greek Cypriot decision to buy the Russian S-300 surface-to-air missiles. In this instance, the outsiders have had the assistance of Greece, which accurately perceived the crisis as unnecessary, as a likely loser for the Greek Cypriots and overall as a perilous diversion

from what the region most needs now — a calm atmosphere in which to concentrate on building Europe.

To outsiders of all stripes, it has long been evident that Cypriots should put aside their feud and create a federation that would amount to double self-rule and single formal sovereignty. With each passing year, however, acquiescence in the existing forcible separation seems harder and less urgent to reverse. At one point it was thought that the bids by (Greek) Cyprus and Turkey to join the European Union would provide a context for an overall easing of tensions. But it turned out that advocates of this sensible approach had underestimated the prevailing corrosive distrust.

Greek and Turkish Cypriots appear fundamentally ambivalent about finding a formula for coexistence. They are accustomed to the tensions and conveniences of living apart. But at the least both sets of Cypriots, if they are not going to work seriously to resolve differences, should keep them below the threshold of disturbance to others. It is tiresome for outsiders to keep being called upon to put a lid on Cyprus. In any event, Russia had no justification for what it did in intervening for gratuitous, pseudo-historical nationalist purposes, in playing with fire.

—THE WASHINGTON POST

Russia and Belarus

Russia will make a grave mistake if it follows through on plans to reunite with the former Soviet republic of Belarus. The merger scheme announced on Friday by President Boris Yeltsin and his Belarusian counterpart, Alexander Lukashenko, may never come to pass. No formal agreement was signed, and many of Mr. Yeltsin's declarations these days cannot be taken at face value. But if the merger does move ahead, it would burden an already depleted Russian economy with the severe economic problems facing Belarus.

By taking on responsibility for re-flooding the Belarusian ruble and for feeding 10 million more people, Moscow would make it that much harder to pay off its own back wages and loans and to re-establish credibility with the International Monetary Fund and other financial institutions.

Russia stands as a cautionary example of the hardships created by mis-handled economic reforms. But Belarus shows that rejecting reforms altogether can lead to even greater problems. Since Mr. Lukashenko came to power in 1994, he has tried to sustain an old-fashioned Soviet-style command economy. The government owns or controls most of the industry and agriculture and sets prices artificially. That has given farms and factories little incentive to produce anything that people want to buy, let alone to improve efficiency. As a result there are severe shortages of food and other consumer goods, and the value of Belarus's currency has plummeted.

The political situation is more complicated. Russia and Belarus have cultural, linguistic and political ties that

go back many centuries. Belarus has no real history as an independent country, but was an integral part of the Slavic heartland of imperial Russia and the Soviet Union. Despite these strong links, political union today would be damaging to Russia. Closer political and economic integration would expand the pernicious influence of Mr. Lukashenko, a dictatorial president. Russia's democracy may be imperfect, but Belarus has none. Mr. Lukashenko has thoroughly muzzled dissent. In a 1996 referendum that international observers judged fraudulent, he forced through an authoritarian constitution and packed Belarus's Parliament with loyal supporters. Opposition politicians and journalists are systematically harassed and sometimes beaten.

Moscow's most determined opponents of merger were the democrats and economic reformers who lost power last summer. The current Russian government, led by Soviet-era officials like Prime Minister Yevgenii Primakov, may be less concerned about the economic and political liabilities of merging with Belarus and more interested in restoring lost prestige and territory and checking NATO's expansion eastward.

Belarus, for its part, would like to see the two countries develop common foreign and military policies and elect a single Parliament. That would extend the reach of Russia's armed forces back to Poland's borders, just the contingency that Warsaw joined NATO to deter. No Russian government interested in building democracy and prosperity should want any kind of partnership with Mr. Lukashenko.

—THE NEW YORK TIMES

The Euro Poses a Political Challenge to America

By William Pfaff

PARIS — The arrival this weekend of a common European currency is a watershed in the relationship of the United States to the new Europe. It is the most important event for European integration since the Treaty of Rome in 1957. It promises to be the most important event for the United States since communism collapsed.

Since 1989 the United States has been in economic and military terms, the most powerful state in the world. Washington has imagined no serious challenge to American power until the distant future. Then China, or perhaps a recovered Russia, might test America. Europe is regarded as politically divided, its economy overregulated and undynamic, historically "finished."

The euro defies that assumption. The single currency cannot help but pose a financial and economic challenge to Washington, and that eventually will take on a political weight which neither side now wishes to contemplate.

Washington, and most Europeans, have seen monetary union as a step taken in the context of Atlantic cooperation, which has benefited both sides for five decades. This misses the point. For the first time in postwar history, vital and "sovereign" interests of America and Western Europe will become engaged in what game theorists call "zero-sum" competition. The gain of one will be the loss of the other.

Both sides are accustomed to the

"game" that has prevailed since the Marshall Plan and Europe's reconstruction, in which coalition and economic cooperation profited both sides. The arrival of European monetary union changes the game. The world economic agenda will no longer automatically be set by the United States, through the Federal Reserve's power to set the key global interest rate. The European Central Bank will set its own interest rate for an economy that is nearly as large as America's and is a more important trading partner.

Europe's single currency will automatically become a competitor with the dollar as an international reserve currency — an internationally recognized store of secure value — and as a denominator of international trade.

The European economies enjoy a trade surplus, while the United States has a \$200 billion annual trade deficit and owes a trillion dollars abroad. The euro zone's attractions as a place to secure one's funds are obvious.

The economist Lester Thurow wrote a year ago in *The New York Review of Books* that people will initially go into the euro to hedge their investments, "but if enough people hedge their bets and the dollar starts to fall, a run on the dollar could easily begin."

So long as oil, minerals, other com-

modities and high-value manufactures such as commercial aircraft are priced in dollars, the United States benefits from stable prices. The European Airbus, for example, like the European commercial space launcher, Ariane, is built with materials and components paid for in European currencies, but the product is sold in dollars. Boeing's material and labor costs are in dollars. The company does not have the costly problem of "covering" currency movements that it cannot control.

American corporations and banks functioning in Europe will enjoy the same benefits as European industry and banking, pricing their products in euros and being paid in euros. However, domestic-based American export industry will lose the dominant-currency advantage it has enjoyed for 50 years. The same will occur if the oil and other commodity producers begin to denominate their goods in euros.

The Japanese government, and some economists elsewhere, have proposed that Europe, the United States and Japan set exchange rate "target zones" so as to re-establish the stable international currency relationships that existed under the Bretton Woods system and ended when the United States "floated" the dollar in 1971.

Washington refuses, following the neo-liberal economic orthodoxy of the last two decades, which says that only the market can decide currency values.

Therefore the dollar, the new euro and the yen now will all float against one another. (The Canadian ambassador to the OECD, Kimon Valaskakis, has recently drawn attention to the mathematical proposition in systems theory "which claims that when three systems coexist in the same environment the result is chaos.")

The United States has known only currency stability. The dollar's value was fixed to gold until 1971, and it remained the dominant world currency even under the system of floating exchange rates that followed.

The dominant political position of the United States today is integrally linked to the dominant position of the dollar, as well as to the country's economic and industrial preeminence — which the Europeans are also challenging. The euro's threat is to that dominance.

European monetary union is not designed to make a political challenge to the United States. It is motivated strictly by the Europeans' interest in further integration of their own economies. It nonetheless is a major step toward re-establishing a world of balance, where there is more than one center of economic power and, inevitably, of political influence. Washington, and the Europeans, must come to terms with this, which may not be easy.

International Herald Tribune
Los Angeles Times Syndicate

Let Us Praise 'Risk, Uncertainty and Constant Change'

By James K. Glassman

SAN FRANCISCO — Back in the days before he became a one-man wild animal act, James Carville said something very smart. Pinpointing the issue that would win his client, Bill Clinton, the 1992 presidential election, the campaign strategist coined the phrase "It's the economy, stupid." It still is — only more so.

The U.S. economy is completing its 93rd straight month of growth — the longest peacetime expansion in U.S. history. This coming week we enter the 17th year of a boom interrupted by a mild, nine-month recession — a completely unprecedented stretch of prosperity.

Unlike periods of growth in the past, this one is benefiting nearly everyone in America, bestowing remarkable gifts including a budget balanced by a tidal wave of tax revenues. It is the New Economy, stupid, and

it is changing politics forever.

For one thing, it will probably keep Mr. Clinton in office, despite his perjury. It is the main reason, writes William Schneider in the *National Journal*, for the nearly unprecedented gains in the November elections by Democrats.

They have captured the votes of what Mr. Schneider calls "the New Rich," people — concentrated in California, which is becoming a solidly Democratic state — who "just a few years ago were victims of the middle-class squeeze" but who, "under President Clinton, have begun to feel secure and even prosperous."

Mr. Clinton has benefited from the "being there" phenomenon. Because he is president, he gets credit for the economy even though there is little

that even he can claim to have done to promote the growth we have seen since 1992.

At least he has erected no serious roadblocks — no big tax increases, new federal programs, regulatory regimes. And he has let Robert Rubin and Alan Greenspan do their work.

Today the Republican Party is hunkered down in pessimism, snarling at what it sees as moral decline and skepticism of the future. It has done its best to deserve the scorn of California and the rest of dynamic America.

The irony is that the groundwork for the economy that Americans enjoy today was laid in the Reagan administration, with tax cuts, domestic spending restraint and tight monetary policies. The rest of the work — most of it, really — came from the private sector, including the

renovation of fat, corporate firms that were scared to death when Michael Milken (now ensconced in Santa Monica) and his cohorts figured out ways to acquire them and make them work better.

At the same time, the computer revolution budded and started to bloom with the Internet. "Despite its infancy," writes Brian Westbury of the Griffin, Kubik, Stephens & Thompson Inc., a Chicago consulting firm, "the computer is changing every industry on the face of the earth. In the only sector that statisticians can measure effectively — durable goods — the U.S. economy is already experiencing record-breaking productivity growth and falling prices."

Productivity growth — making more with the same amount of workers and capital — has been rising at an average of 6

percent annually since 1992, compared with just 3 percent during the past eight recoveries.

The experts still don't get it. Even in 1998 — a year in which the world's second-largest economy, Japan's, is mired in recession, Russia has defaulted, Germany and France have double-digit unemployment and deflationary winds are blowing through Asia — the U.S. economy has grown at a 3.5 percent rate, with unemployment at just 4.4 percent and inflation at 1.5 percent.

It is getting stronger. Last week the government announced that personal income had risen by 6.1 percent, and the country continues to generate 2 million additional jobs a year.

These are good jobs. Says a new report from the Employment Policy Foundation: "The highest-paying third [of jobs] accounted for 60 percent of employment growth between 1993 and 1997."

Especially heartening is the breadth of this recovery. From 1992 to 1993, the real wages of low-income workers fell by 15 percent. But the Council of Economic Advisers reported this month that since 1996 real wages for workers in the bottom tenth of earners have risen by 6 percent. "At the same time," writes the CEA, "unemployment rates among the least skilled have plummeted."

Why? The Clinton administration cites the earned income tax credit and the minimum wage increase. More likely, low earners are simply benefiting from the phenomenon that John Kennedy recognized: A rising tide lifts all boats.

For how long? Certainly the business cycle has not been repealed. America will have a recession one of these days. But in the long run, Americans will prosper as long as they allow trust in what Virginia Postrel, in her brilliant new book "The Future and Its Enemies," calls dynamism — free-wheeling, even playful, change — over come fear of the future.

In this new era, says an excellent report by the Progressive Policy Institute, a Democratic think tank, "risk, uncertainty and constant change are the rule." Exactly, and, in the end, this is why Bill Clinton deserves credit for the New Economy, stupid. He has not stood in the way.

The writer, a fellow at the American Enterprise Institute, contributed this comment to *The Washington Post*.

Too Business-Friendly in Hong Kong and Malaysia

By Philip Bowring

HONG KONG — Where does a so-called business-friendly environment end and cronyism begin? It is a question seldom put directly. Many would deny any link.

The term "business-friendly" is viewed as representing the good part of Asia, a description of the environment which created economic success. "Cronyism," first coined in this context to describe the Philippines of President Ferdinand Marcos, has become the symbol of all that has gone wrong with Asian capitalism.

Nonetheless, the links between the two are proving critical to the speed and manner in which economies emerge from crisis. Take two cases, Hong Kong and Malaysia.

In Hong Kong, leading businessmen are up in arms claiming that the territory is becoming "hostile" to business.

One threatens to stop investing because of the political climate, a reference to elected legislators criticizing his company's allegedly harsh policies toward home buyers facing financial

distress because of high interest rates and unemployment.

Another alleges that rising payouts for unemployment and other welfare benefits during the worst recession since World War II are evidence that Hong Kong is drifting toward socialism. Another threatens not to invest if more competition is allowed in his industry.

Examination of these complaints shows that what the business figures are objecting to is not the spending of money by the government. It is criticism from the public of some highly profitable oligopolies. The government is certainly business-friendly to these — at the expense of other businesses and of consumers who use their high-priced products and services.

The amount spent on welfare in Hong Kong in the last 12 months has been a fraction of the revenue foregone by a moratorium on land sales and by tax concessions for home buyers, both aimed at helping a small group of developers. Welfare

spending has been a mere tenth of the money spent in two days propping up the stock market — an expenditure of public money much praised by the main tycoon beneficiaries.

Meanwhile, the government-owned Airport Authority has made a nonsense of its own tendering procedures and handed out huge rebates to companies, mostly controlled by property developers, which won airport concessions through overbidding that deprived existing operators of their businesses.

Certainly the administration is friendly to a few businesses, as also to banks which operate an interest rate agreement, to the power companies and other utilities which are shielded from price competition, and to those trading companies protected by restraints on parallel imports.

It has been the case for years that the territory's most profitable businesses — property development, banking, utilities — have enjoyed unusual favors. What is now being seen, as the territory seeks to adjust to new regional realities, is the fight against price competition and open access now being waged by them.

General Motors is good for the U.S. What is friendly to these businesses is said to be good for Hong Kong in general. Competition, be it in politics or in business, is socialism, populism, consumerism and bad for business. As a result, Hong Kong competitiveness is being daily eroded, trade is contracting and unemployment is rising.

In Malaysia the connections between politicians and business have always been more overt than in Hong Kong, and in recent years they have been drastically increased by the process of privatization.

Now various well-connected big businesses are being saved from collapse by injections of government money, by favorable lending policies of banks under pressure from the authorities, and by the rewriting of terms of utility and infrastructure concessions.

Other groups are surviving by being allowed to walk away unpunished from contracts — for example, to construct public transport systems — and leaving the government to pick up the pieces.

Much of this is defended as being business-friendly, a necessary response to economic crisis and one which will keep

businesses alive and thus sustain employment. More likely, it is holding up corporate restructuring and giving the impression that a banking system already crushed under a huge burden of nonperforming loans will be throwing good money after bad.

Malaysia ought to be in a position to remove its capital controls, imposed in a panic in September, and continue to bring down interest rates to stimulate the economy without sparking an exodus of capital. Thailand and South Korea have both achieved much bigger rate reductions without resorting to capital controls. Foreign money has flowed back as interest rates have come down and their currencies have strengthened.

Malaysia would be able to do the same if there were greater confidence that it would address the problems of the economy and business generally rather than, as in Hong Kong, be "business-friendly" to a few.

Adam Smith, oracle of competitive capitalism, warned against the natural inclination of business groups to conspire against the public interest so as to keep profits high; it was the duty of government to create conditions that ensured competition. If governments in Hong Kong and Malaysia had a better grasp of their duties to society at large, their economies would recover more quickly.

International Herald Tribune

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Modern Balls

PARIS — [The Herald says in an Editorial:] There has been an increase in the sale of pianos and high-class music. At the same time more saxophones and harmonicas, peculiarly suited to the jazz mania, have been demanded by the public. Jazz and the other kind of music can both flourish. Jazz does not destroy the task for better music. By its adaptation of certain operatic scenes it leads some people, on the other hand, to their first endeavor to learn what really good music is. If the jazz adaptation is so enjoyable, why should not the original score itself be more so?

1923: Jazz Vogue

PARIS — [The Herald says in an Editorial:] There has been an increase in the sale of pianos and high-class music. At the same time more saxophones and harmonicas, peculiarly suited to the jazz mania, have been demanded

1948: Hats Off Now

BUXHALD, England — The new rector of Buxhall will have to take his hat off to the King — something that rectors of this village parish have not done for more than 400 years. The rectors, for more than 400 years members of the Hill family, inherited from King Henry VIII the concession that they might wear their headgear in the presence of the reigning monarch. It lapsed with the death of the Rev. Henry Coppinger Hill, who had been rector for forty-six years.

Herald Tribune
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OPINION/LETTERS

Pat Moynihan Makes One of His Rare Slips

By George F. Will

WASHINGTON — There may be sound reasons for not removing President Bill Clinton, but Senator Daniel Patrick Moynihan's reason is not among them. Indeed, Mr. Moynihan's enunciation of it becomes a reason for removing Mr. Clinton. Otherwise, retaining Mr. Clinton may seem to ratify Mr. Moynihan's reasoning, which is unjust to the nation.

Identifying Mr. Moynihan as the Senate's preeminent intellectual is akin to identifying Iowa's tallest mountain — faint praise for the finest senator of his generation. When Mr. Moynihan leaves the Senate in 2000, public life will lose (in the words of Michael Barone, author of "The Almanac of American Politics") "the nation's best thinker among politicians since Lincoln and its best politician among thinkers since Jefferson."

That encomium is, if anything, too tepid for the 71-year-old legislator, whose cherubic face should be the sixth painted on the wall of the Senate reception room, next to portraits of Clay, Calhoun, Webster, La Follette and Taft.

Still, Homer nods, and so, occasionally, does Mr. Moynihan. He did last week, with brio, when he said that the removal of Mr. Clinton might "destabilize" the presidency, and that the risk is intolerable because America is an "indispensable nation."

That analysis, by a remarkably gifted social scientist, is notably unempirical regarding America's political stability. And linking Mr. Clinton's fate to America's world role may not be a kindness to Mr. Clinton.

It is odd to assert that the health of the presidential office is served by Mr. Clinton's continuation in it. The assertion's unspoken postulate is that the office is so brittle that it might be gravely damaged by severing Mr. Clinton from it.

Mr. Moynihan is correct about America's indispens-

ability. That is demonstrated, powerfully if negatively, by the collapse of Mr. Clinton's statecraft, from Iraq to North Korea. Yet Mr. Moynihan links his points about "indispensability" and "instability."

"There has to be a commander in chief. You could very readily destabilize the presidency, move to a randomness. That's an institution that has to be stable, not in dispute."

Well, yes, but the commander in chief was removed during the depth of the Cold War, with Soviet power waxing and U.S. forces engaged in Southeast Asia. The result was not randomness but the Ford presidency.

Mr. Moynihan's argument implies that for the duration of America's indispensability, the constitution's impeachment clause is a dead letter, too dangerous to act on.

In a television interview, Mr. Moynihan said: "It would be hard to imagine, but stranger things in the world have occurred, where a congressional majority began routinely removing presidents, speakers become president, no one knows who is the commander in chief, who is the chief executive officer, and the whole stability of this nation, on which the stability of the world rests, could be seriously and grievously undermined."

He also said, "We could so easily" — so easily? or is it "hard to imagine?" — "mutate into a president of the month."

Gracious. Can we please deal with Mr. Clinton without indicting the American public? Conservatives denounce the public as strangely anesthetized; Mr. Moynihan suggests the public is on the verge of tolerating wild political volatility. A plea to the political class: Keep Mr. Clinton or spare him, but spare the rest of us these theories that make the rest of us the problem.

In a sense, instability in the presidency is, by now, old hat, and hardly unnerving to



this republic in its maturity. Six of the seven presidencies immediately prior to Mr. Clinton's were terminated — by assassination (Kennedy), intraparty strife (Johnson), scandal (Nixon), or disgruntled voters (Ford, Carter, Bush). Then came Mr. Clinton, whose sorrows are the result of "randomness" engulfing the presidential office, but of his lubriciousness making him ridiculous and felonious.

The great datum of the moment — like the purloined letter, it is in plain view and

for that reason is unnoticed — is the disconnection between presidential instability and national stability.

A New York Times headline (Page 1, column six, no less) records astonishment: "Politics No Distraction." That is for a bulletin about what the headline calls the December "surge of shopping." (Now, there is news.) A Wall Street Journal headline expresses similar amazement: "Despite Everything, America Still Embraces a Culture of Optimism."

Despite "everything"? No, despite just one thing, the president's pratfalls. And presidents are very rarely indispensable. De Gaulle was right. Graveyards (including, since 1970, one at Colson-by-the-Deux-Eglises) are full of indispensable men.

Political journalists believe that political news, and hence political journalists, are central to America's neurological health. That is news to other Americans, or would be if they were paying attention, which they are too whole-

somely busy to do.

Washington Post Writers Group.

LETTERS TO THE EDITOR

Malaysians Respond

In response to "Mahathir's Economic Policies Could Bring His Downfall," by David Roche (Opinion, Dec. 15):

Mr. Roche presents misleading arguments on Malaysia's economic and financial performance that amount to wishful thinking, viz., that social upheaval will force Prime Minister Mahathir bin Mohamad to resign so that Mr. Roche's friend Anwar Ibrahim can take over.

He says that Mr. Mahathir forced "the central bank to make substantial cuts in interest rates and the mandatory reserves of commercial banks." He should be aware that the United States and many industrialized countries have made rate cuts at the mere prospect of slower economic activity.

He cited the credit overhang as the cause of the economic crisis in Malaysia. Although the ratio of bank credit to GDP was high at 153 percent in 1997, Mr. Roche failed to mention that deposits as a percentage of GNP were even higher, at 166 percent. The banks, therefore, have financed their lending from domestic savings.

He also grossly exaggerated the total funding needs of Malaysia at 98 billion ringgit (\$25.8 billion), or 37 percent of GDP. Our own estimates show a much lower requirement of 62 billion ringgit. The gap will be more than adequately financed from non-inflationary domestic sources without recourse to deficit financing.

K. C. LBONG,
Kuala Lumpur.

Among the factual mistakes: Malaysia does not have a current account deficit, as reported, but rather a surplus of about 20 billion ringgit is anticipated for 1998, and a surplus of 11 billion ringgit next year. Also, the governor of the central bank resigned rather than was sacked.

The estimates of nonperforming loans reaching 40 percent of total lending and the government's needing 56 billion ringgit, or 22 percent of GDP, to restore the banks is way off the mark. Using the three-month criterion, such loans amounted to 12.8 percent, about a third of Mr. Roche's estimate.

ZAINAL AZNAM YUSOF,
Kuala Lumpur.

The writer is a member of the National Economic Action Council working group.

The Resurrection of Clio: History Is Re-emerging as Literature

By John Demos

TYRINGHAM, Massachusetts — Should historians aspire to the status of "writers"? And might history itself be regarded as a branch of literature?

The answer to these questions would, in many prior generations, certainly have been "yes." From Thucydides to Edward Gibbon and Thomas Babington Macaulay,

MEANWHILE

from Francis Parkman and William H. Prescott to Richard Hofstadter, runs an honored tradition of elegant, evocative and, above all, artful historical writing.

But the answer nowadays, for many professional historians in the United States, is likely to be "no."

If history is always at bottom some combination of art and science, then the balance in recent decades has tipped heavily toward its scientific side.

A broad range of interpretive techniques, including quantification and various forms of applied social theory, has steadily transformed the day-to-day practice of scholarship.

The gains from all this are undeniable. Our understanding of the past has been hugely enlarged and deepened; whole classes of people, and large categories of experience, have come into view as never before.

However, another result of the same trends has been a shriveling of historians' literary side. Writing has become, for many, simply a means of communication — a way, in short, to express and present their "research findings." Often this seems to require an abstruse, or even explicitly technical, language. And where words of whatever kind will not do the trick, charts and tables can be used instead.

Inevitably, there are costs in terms of audience. But if scholars are writing more and more for each other — and less and less for what Hofstadter liked to call "the educated general reader" — that is, apparently, all right with them.

At least with most of them, not all of them. In fact, within just the past few years some have supported and contributed to a growing countertrend. The goal here is a process of reconnoitering: of history with other branches of serious writing, of historians with nonprofessional readers.

Loosely grouped under the rubric of "new narrative history," these efforts are proceeding apace, and in several different directions. A conference on historical narration, held in California in 1993, elicited an astonishing array of responses. Participants shared projects that included drama, poetry, painting and even computer-generated prose.

But for most of the historians involved,

narrative in a more conventional sense is indeed the main thread. Stories of one sort or another, built around individual characters and linked to particular human situations, are their chief goals and intentions. Otherwise they are experimenting quite freely with authorial voice and point of view, with language and syntax, with questions of sequence, pace and tone.

Moreover, their efforts have led quite naturally to a heightened interest in the relationship of history and fiction. For some, the boundary between the two seems thin and blurry, and a few have ventured to cross it by "filling in" where the trail of past evidence disappears.

Interestingly, there are convergent tendencies on the other side of the boundary, as more and more novelists turn to historical subjects and settings. Though their work must still be identified as fiction, much of it reflects careful study of the details of time, place and culture — and thus qualifies also as history of a sort.

The "fictionalizing" of history, whether by novelists or historians, is today controversial nowadays; in certain scholarly quarters, it is regarded virtually as treason. The same controversy, involving similar doubts and questions, has arisen within journalism and allied literary forms.

But nothing of the "new" in new narrative history requires outright invention. The common denominator, and sine qua non, is simply that writing, no less than researching and interpreting, has a fundamental claim on the historian's attention. A corollary would insist that good historical prose involves much more than the straightforward offering of information.

These attitudes have already gained new credence in the world of the academy, and beyond. Some graduate programs in history now include courses in writing as a regular part of the curriculum.

And a year ago, for the first time, a work of history received the National Book Award for nonfiction. (The fiction winner in the same round was a novel about the American Civil War; this, too, was a work of great historical depth and verisimilitude.)

If the trend continues, Clio — the Greek muse of history — may yet reclaim a more level art-to-science balance. And a much wider circle of readers. And even — dare we hope? — her former place in the pantheon of literature.

The writer, a professor of history at Yale, is author most recently of "The Unredeemed Captive: A Family Story From Early America." He contributed this comment to The New York Times.

ADVERTISEMENT



Johann Strauss (1825-1899)

will be honored in a host of musical events taking place throughout the year in the Austrian capital, beginning with a series of New Year's concerts and the Flower Ball, to be held on Jan. 8 in Vienna's City Hall, right.

PLEASURES OF VIENNA

DURING 1999, ALL VIENNA WILL HEAR A WALTZ

It is a fair guess that if a casual visitor to Vienna is asked for the name of the city's most popular musician of past times, the answer will almost certainly be "Strauss." Especially at this time of year, the king of the concert hall and the ballroom is Johann Strauss.

This is where a slight difficulty creeps in, because there were in fact two Johann Strausses, father and son, each a distinguished composer in his own right. To make things even more complicated, the younger Strauss had two

brothers, Josef and Eduard, both of whom dabbled, with appreciable success, in the business of music making.

During the year ahead, Vienna is paying special tribute to the younger Johann Strauss. The centenary of his death in 1899 has been chosen as the occasion for a series of events to be held between — to refer to two of his works — the "Vienna Woods" and the "Blue Danube."

The Viennese are well aware that their quality of life depends, to a great extent, on the city's natural

features. With a full half of the municipal area accounted for by forest or green spaces — a fair proportion of the latter in the form of vineyards — the countryside is always felt to be within walking distance or, at least, easily accessible by public transport.

Vienna even has part of the Danube Wetlands National Park (which it shares with the neighboring province of Lower Austria) within its city limits. And, contrary to the view expressed by some, the river really is blue — or, at any rate, of sufficiently fine water quality for aquatic pursuits right along the 20 kilometer (12 mile) mid-river "island," where the whole left-bank channel is reserved for pleasures like swimming, waterskiing, windsurfing and rowing.

New Year's performances

Vienna's main opera houses, the Staatsoper and the Volksoper, are both devoting two whole days, Dec. 31 and Jan. 1, to performances of Strauss's timelessly popular work "Die Fledermaus." New Year's Day, too, is traditionally the day for a concert of works by the whole Strauss dynasty, played by the Vienna Philharmonic Orchestra, conducted this time by Lorin Maazel. Performed in the magnificent Golden Hall of the Musikverein, this musical event can be shared by practically the whole world on television.

Later in the year, and directly accessible in Vienna itself for all corners, is the summertime open-air Music Film Festival. This features many top video recordings of Johann Strauss stage works — including "Vienna Blood" and "A Night in Venice" — and other performances shown on a giant screen.

For this, City Hall Square is transformed for two months into a vast meeting place for Viennese and visitors alike. Adjacent food stands offer a mouthwatering range of cooking from all corners of the Continent as well as farther afield.

It is this increasing ethnic diversity that has recently come to

characterize the Vienna scene, not only with regard to cuisine — although the many street markets testify to this in particular — but also in multicultural theatrical events of all kinds. The number of movie houses showing films in the original language — a rarity as recently as 10 years ago — is yet another manifestation of the in-

"Johann Strauss and his memorable music are as intrinsically linked to Vienna as Sacher torte, the Giant Ferris Wheel, the Heurigen wine taverns or St. Stephen's cathedral. Without his music, his Blue Danube waltz, this city would be hard to imagine."

MICHAEL HAUPL,
MAYOR AND GOVERNOR OF VIENNA

ternational atmosphere of Vienna toward the end of the 20th century.

Strauss exhibition

In the spring and summer, traditional festive activities unfold for historically and artistically minded tourists from all over the world. During 1999, several major exhibitions are scheduled, including a comprehensive show of 550 works by Johann Strauss, in printed or original manuscript form, at the Historical Museum of the City of Vienna, together with contemporary paintings and photographs. Meanwhile, costumes, set designs and scores of all 18 of Strauss's stage works will be on view at the Austrian Theater Museum.

As might be expected, the opening of the 1999 Vienna Festival in front of City Hall will feature music by Johann Strauss, played by the Vienna Symphony Orchestra under Vladimir Fedoseyev. The Vienna Philharmonic

Orchestra, "following in the footsteps of Johann Strauss," will perform at an open-air mega-concert on Heldenplatz (Heroes' Square), with Zubin Mehta conducting.

The renowned Vienna Staatsoper, or State Opera house, will be opening its doors this summer — for the first time ever — for a production of Franz Lehár's "Merry Widow." The same stately building, in addition to other locations, is to be the venue for the Vienna Jazz Festival '99.

Not to mention

Mozart lovers, as well as those who enjoy French-style formal gardens, can head this summer for the "Roman Ruins" in the glorious park of Schönbrunn Palace (now on the Unesco World Heritage list) for open-air performances of Mozart's opera "Così fan tutte." In the event of bad weather, visitors can move to the palace's Orangery for the daily "Sounds of Vienna."

Looking for more informal entertainment? A large number of Vienna coffeehouses are offering live performances of Strauss tunes throughout the tourist season. The City of Vienna is making 20 pianos available and has engaged students from the Vienna Music Conservatory to entertain the guests. It was, after all, in Viennese coffeehouses that Johann Strauss and his brothers first made their names in the 19th-century musical world.

As the ultimate way of straddling the centuries, Austria's renowned jazz musician, Joe "Weather Report" Zawinul, has scheduled his "Homage to Johann Strauss" in the historic Theater an der Wien, where Beethoven's "Fidelio" had its premiere in 1805. This is guaranteed to be a red-letter day on the 1999 Vienna entertainment calendar. ■

CALENDAR 1999

Jan. 8
Flower Ball, City Hall
May 6-Sept. 26
Johann Strauss Exhibition,
Historical Museum
May 7-June 13
Vienna Festival
May 21-Oct. 26
Johann Strauss Stage-Works Exhibition,
Austrian Theater Museum
May 29
Vienna Philharmonic Mega-Concert,
Heldenplatz

Daily throughout summer
"Sounds of Vienna," Schönbrunn Orangery
June 30-July 10
Vienna Jazz Festival '99, various locations
July 3-Aug. 29
Music Film Festival, City Hall Square
July 13-Aug. 21
"Così fan tutte," Schönbrunn Palace park
Aug. 6-8, 13-15, 20-22
"The Merry Widow," Vienna State Opera
Oct. 27
Joe Zawinul's "Homage to Johann Strauss,"
Theater an der Wien

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Sihanouk Says He Won't Give Amnesties to Pol Pot Aides

PHNOM PENH — King Norodom Sihanouk showed displeasure Wednesday at the reception given to two Khmer Rouge defectors and said an international tribunal would have a right to try them for genocide.

Calling them "criminals," the constitutional monarch said he would not grant amnesties for Khieu Samphan and Nuon Chea and would leave the handling of "this unfortunate and dramatic affair of forgiveness for the Khmer Rouge" to Prime Minister Hun Sen.

Mr. Khieu Samphan and Mr. Nuon Chea, top members of the clique responsible for the Khmer Rouge "killing fields" revolution of the 1970s, returned to Phnom Penh on Tuesday after Mr. Hun Sen said trying them might not be in the national interest.

The government says it has not closed the door on a trial, but Mr. Hun Sen's statement Monday has raised doubts as to whether one will take place, despite widespread calls for the Khmer Rouge to be called to account for genocide and crimes against humanity.

King Sihanouk said, "An international tribunal would have the perfect right to take up the case of genocide in Cambodia because it concerns crimes against humanity and that concerns the conscience of the world community."

The government has suggested that any trial of the two defectors might be followed by a royal amnesty like that given to another top Khmer Rouge figure, Ieng Sary, after his 1996 defection.

King Sihanouk, who must authorize any amnesties, said he would not sign any more for the Khmer Rouge.

An Asian diplomat said King Sihanouk was showing clear displeasure at the warm greeting the government had given to the Khmer Rouge leaders, but since he is a constitutional monarch it did not make a trial any more likely. "Hun Sen is still the one calling the shots," he said.

King Sihanouk, briefly head of state under the Khmer Rouge's 1975-1979 rule before being placed under house arrest for much of that period, said the amnesty he had granted to Mr. Ieng Sary had been given at the demand of the government leaders.

The king said Cambodians, including his own family, had suffered "inexpressible cruelties and injustices" at the hands of the Khmer Rouge.

Six of King Sihanouk's 14 children and a number of grandchildren were among the estimated 1.7 million who died under Khmer Rouge rule from torture, execution, overwork, starvation or disease.

On Tuesday, Mr. Khieu Samphan, who succeeded King Sihanouk as Khmer Rouge head of state in 1976, made the group's first public apology for the suffering under its rule, but at the same time said Cambodians should forget about the past.

The Khmer Rouge leaders who came to Phnom Penh on "no arrest" pledges from the government and officials in the ex-guerrilla town to which they defected last week said they had sought guarantees before coming to the capital that they would not be tried internationally.

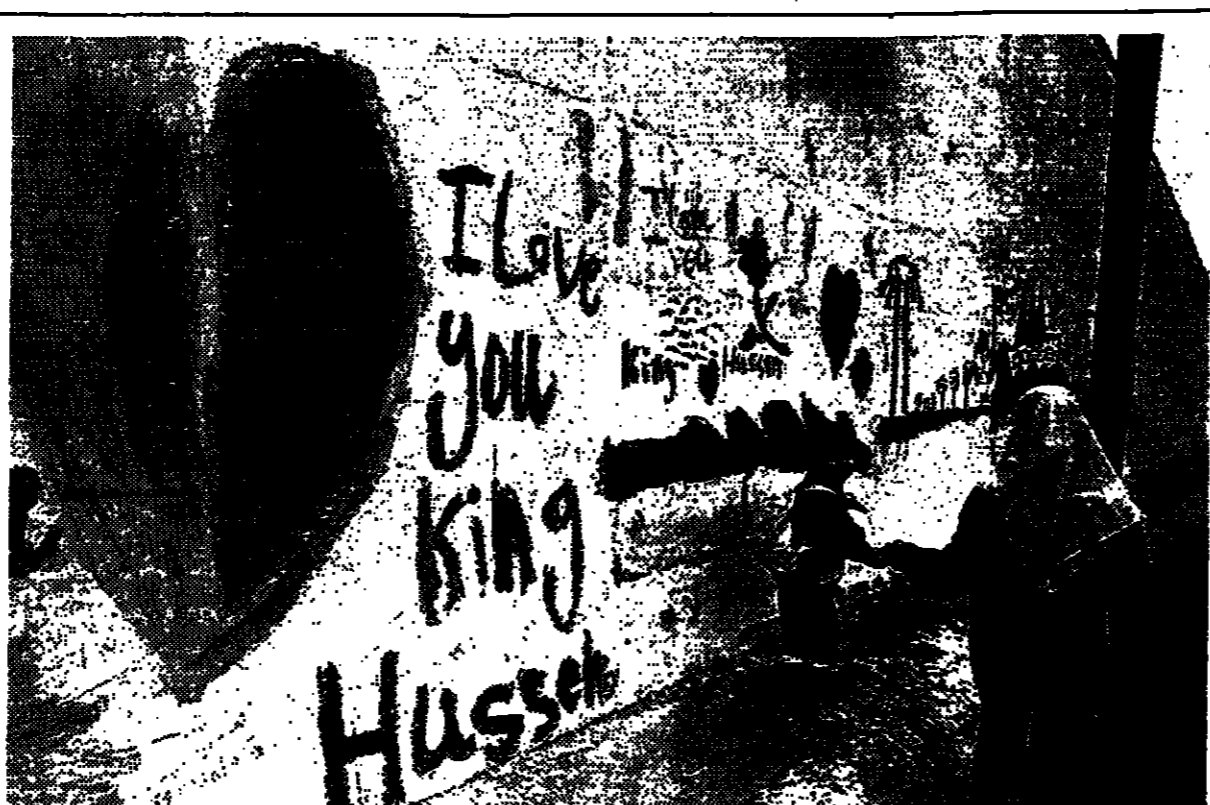
On Wednesday, the two defectors met Boutros Boutros Ghali, who was United Nations secretary-general at the time of Cambodia's UN-sponsored peace agreement, which was spurned by the Khmer Rouge.

The Cambodia Daily newspaper quoted Mr. Boutros Ghali as saying the United Nations should respect the wishes and sovereignty of the Cambodian government in relation to the Khmer Rouge.

The United Nations has appointed a special team to look at the possibility of bringing the Khmer Rouge leaders to trial and it is due to report in January.

On Tuesday, the United States renewed its call for the Khmer Rouge to be held accountable for their actions and said Cambodia's handling of the case would shape its ties with the world.

The U.S. State Department deputy spokesman, James Foley, said, "The records left by the Khmer Rouge make it absolutely clear that the Khmer Rouge regime was among the most murderous in this century."



A KING'S WELCOME — A mural painted by children in Amman welcoming King Hussein back to Jordan on Wednesday after six months of treatment for cancer at the Mayo Clinic in the United States.

Netanyahu Urges Allies Not to Defect

JERUSALEM — Trying to stem defections from his political camp, Prime Minister Benjamin Netanyahu urged top cabinet ministers Wednesday not to leave the Likud party ahead of the elections scheduled for May.

Mr. Netanyahu also played down a veiled threat from his closest political ally, Foreign Minister Ariel Sharon, to run for prime minister.

"We are cooperating fully to win the elections," Mr. Netanyahu said, referring to himself and Mr. Sharon.

Mr. Netanyahu is fighting an uphill battle to win re-election May 17. He faces a growing field of challengers including Likud members who either seek to wrest the party's nomination from

him or plan to run on their own slate. Mr. Netanyahu's former foreign minister, David Levy, is negotiating terms of a political partnership with Ehud Barak, who leads the opposition Labor Party.

Mr. Netanyahu's agriculture minister, Rafael Eitan, has announced that he will run for prime minister. Mr. Eitan heads the Tsomet party, which ran on a joint slate with Likud in 1996, when Mr. Netanyahu gained power.

Two key cabinet members from Likud, Defense Minister Yitzhak Mordechai and Communications Minister Limor Livnat, are considering leaving the party to join a centrist slate being formed by a popular former army chief of staff, Amnon Lipkin-Shahak.

The departure of Mr. Mordechai, who

is popular among the Likud rank and file, would be a serious blow for Mr. Netanyahu and underscore his growing political isolation. It is speculated that if Mr. Mordechai leaves Likud, Mr. Sharon, too, will challenge Mr. Netanyahu.

Asked Wednesday what message he had for Mr. Mordechai and Mr. Livnat, Mr. Netanyahu told them not to stray from Likud, declaring, "Stay in your home."

Meanwhile, President Ezer Weizman came under fire after the newspaper Haaretz reported that he had said Mr. Barak and Mr. Lipkin-Shahak should join forces, presumably to be in a better position to challenge Mr. Netanyahu.

Because his position is largely ceremonial in Israel, the president is expected to remain above the political fray.

U.K. Seeks Answers on Yemen Killings

LONDON — Britain demanded a full explanation Wednesday from the authorities in Yemen after four hostages were killed in an assault by Yemeni security forces on their kidnappers' mountain hideout.

A junior minister in the Foreign Office, Baroness Symons, said the British government would be "extremely concerned" if it emerged that the deaths had occurred as a direct result of a bungled rescue attempt.

Three Britons were among those killed Tuesday. The fourth hostage who was killed was an Australian. Two others, an American and a Briton, were wounded.

They were among a group of 16 tourists who were kidnapped Monday in southern Yemen by Islamic militants. Survivors of a lengthy shoot-out said Wednesday that the battle started when Yemeni security forces attacked the kidnappers. Their accounts appeared to contradict a Yemeni government assertion that security forces had opened fire after the kidnappers began killing hostages at a camp in the south of the country.

The hostages told The Associated Press that once their captors were attacked, they tried to use the captives as

shields and eventually shot two of them in "revenge killings."

"The worst time for me was that time when a barrel was pointed at my chest," said Eric Firkin, one of the hostages. I said, "No, no, no," recounted Mr. Firkin, who said another captive, a woman, was killed in front of him by one of the kidnappers.

Mr. Firkin, 55, from Croydon, England, said the captives had been divided into two groups and that he was in a group of 11 hostages when the shooting occurred. He and Brian Smith, another of the 11, said they did not know how the other group had come under attack.

Both men said that two in their group were killed by the kidnappers after the hostages wound up in the middle of a battle that started when government troops opened fire.

"We were being led into the mountains to a hideout. Then we heard the gunfire," Mr. Firkin said. He and Mr. Smith, 52, from Peterborough, England, were interviewed at a hotel in Aden, where they were taken to rest from their ordeal. Mr. Smith said the shooting went on for about two hours, with bullets whizzing over the heads of the hostages. One of the wounded, Claire Marston of

Britain, was "in a very bad way," a British diplomat, David Pearce, said at the Al-Jamouhiya Hospital in Aden. She was conscious after surgery on her shoulder, he said, and she knew that her Canadian-born husband, Peter Rowe, had been killed. Another woman who survived the ordeal, an unidentified American, was shot in the pelvis, hospital officials said.

Baroness Symons of the Foreign Office said the British ambassador to Yemen, Victor Henderson, would meet with the Yemeni interior minister to find out why an assault had been ordered.

"The issue," she said in an interview with the BBC, "is whether the shooting was triggered by a bungled rescue attempt or whether the Yemeni authorities knew that hostages were already being killed and therefore moved in."

"Our ambassador made our position very clear that our first concern was the safety of the hostages," she said. "Now, if our advice on this was ignored for reasons that are not adequate reasons, we would be very concerned indeed."

In San'a, Brigadier Mohammed Saleh Turaiq, chief of security in Aden Province, said that the kidnappers had been the first to open fire. "The Egyptian began shooting at the hostages," he said, referring to one of the kidnappers, "which forced our troops to storm the hideout." Brigadier Turaiq said his forces were pursuing some of the kidnappers who had escaped. He accused foreign elements of instigating the kidnapping, but refused to elaborate.

Yemeni officials have identified the Egyptian as Osama Masri. In Cairo, Egyptian security sources said the name was the alias of a wanted Islamic extremist. They declined to give his real name. (AFP/AP)

4 Germans Are Set Free

Germany has been informed of the release of four Germans who were kidnapped on Dec. 6 in Yemen, Reuters reported from Bonn, quoting a spokesman for the German Foreign Ministry.

U.K. Honors Ex-Senator For Ulster Peace Efforts

Mitchell to Get Knighthood for Mediating Accord

LONDON — Britain is to honor Thursday a former U.S. senator, George Mitchell, and other figures who worked to bring about peace in Northern Ireland.

The traditional New Year's honors list, prepared for the second time by Prime Minister Tony Blair, who came to power in 1997, places heavy emphasis on "those who have helped give peace a chance" in the British province, a spokesman for Mr. Blair said.

Mr. Mitchell, who spent months in Belfast heading marathon talks leading up to a peace accord reached last April, is to be given an honorary knighthood as a Grand Knight of the Order of the British Empire.

U.S. citizens such as President Ronald Reagan and his defense secretary, Caspar Weinberger, have been given honorary knighthoods, but the award is relatively rare.

A former Conservative prime minister, John Major, who began the process leading to the April agreement, is to be made a Companion of Honor, a select title limited to a handful of members, for his services to peace in Northern Ireland.

The same title goes to one of Mr. Mitchell's two co-chairmen, General John de Chastelain, the former chief of staff of the Canadian Army. Former Prime Minister Harri Holkeri of Finland, the other co-chairman, is to become an honorary Knight of the Order of the British Empire.

Knighthoods are to be awarded to Northern Ireland's police chief, Ronnie Flanagan, and to two British civil servants closely involved in the peace process, John Holmes and Quentin Thomas.

Mr. Blair's spokesman said he had wanted to honor some members of the pro-Irish nationalist community in the province, but the awards had been turned down.

In other sections of the honors list, Mr. Blair preserves the traditional mixture of gongs for show business and sports stars, top businessmen, civil servants and

humble citizens nominated for their good works.

The abstract painter Bridget Riley is to become a Companion of Honor while a real-life knight goes to the actor Nigel Haworth, famous for his role as the manipulative civil servant Sir Humphrey Appleby in the television comedy "Yes Minister."

One step down the ladder, the former James Bond actor Roger Moore is to be made a Commander of the Order of the British Empire for his work for charity as is the comedian Lenny Henry and the actress Maureen Lipman.

The Officer of the Order of the British Empire, the next highest honor, goes to the actor Robert Carlyle, star of the films "Trainspotting" and "The Full Monty," and the showbiz veterans Dany Springfield, David Essex and Tom Jones.

In the world of sport, the top honor goes to the Formula One motor racing team boss Frank Williams, who is to be knighted.

CONGO: Nation Weary of War

Continued from Page 1

voice indignantly at the subject of the rebels trying to depose Mr. Kabila and say, "Let him work!"

In La Cite, where most of the 5 million Congolese in Kinshasa live, many said the government should negotiate with the rebels. So far, Mr. Kabila has refused to meet with them, contending that they are puppets of Rwanda and Uganda.

Gabriel Katupo-Thenza, 59, stood in the backyard of his squat, gray house in Mikondo, a slum that was shelled heavily by the government because it had been infiltrated by rebels.

"Negotiations are all right," Mr. Katupo-Thenza said, near a wall whose bricks had been dislodged by gunfire here and there. "The Congolese rebels, we need to negotiate with them. They're our brothers after all."

Most opposition parties also support negotiations with the rebels. Etienne Tshisekedi, the country's most popular opposition leader, has proposed a national peace conference that would include the Congolese rebels, said his political adviser, Jean-Joseph Mukendi.

But it is a measure of how entrenched the no-negotiation position is in the Kabila government that even a minister who said he had lost great faith in the president ruled out talks with the rebels.

"What would the goals of negotiations be?" the minister asked, adding that two possibilities — territorial concessions or sharing of power with the rebels — were both unacceptable.

The minister said he now had only "25 percent confidence in Kabila." In recent months, he said, the circle of advisers around the president had grown smaller, and included mainly men from his native province, Katanga.

The war has made openness impossible for now, said Leonard She Okundu, minister of human rights.

"If we had liberalized," he said, "it would mean that everyone would be able to hold demonstrations and that the enemy would be able to exploit that."

Mr. Okundu said he believed that neither politics nor diplomacy would end the war.

"The stronger one on the battlefield will win," he said. "This could last a long time."



Brian Smith, 52, who was among 12 hostages who survived the attack.

IRAQ: U.S. Jets Hit 3 More Missile Sites

Continued from Page 1

missiles at the patrols, the U.S. effort to "contain" Mr. Saddam would soon enter a more difficult and dangerous period.

President Boris Yeltsin of Russia spoke by telephone with President Bill Clinton for 40 minutes Wednesday, again voicing Russia's strong opposition to the four nights of U.S. and British air and missile strikes on Iraq this month. It was the first time the two presidents had spoken since the strikes began on Dec. 16.

In the aftermath of those strikes, Mr. Clinton had tried to get Mr. Yeltsin of the phone, but failed. The U.S. and British attacks prompted Moscow to recall its ambassadors from Washington and London.

The U.S. National Security Council spokesman, David Leavy, said Mr. Clinton had explained to Mr. Yeltsin why the United States believed force was necessary. Mr. Leavy said the two also discussed Russia's economic crisis and its legislature's new delays in ratifying the START-2 strategic arms reduction treaty.

EURO: Finance Ministers Meet to Set Rates

Continued from Page 1

euro zone will continue to be a "pole of stability" in the world, even though growth in the region is expected to slow next year to around 2.4 percent.

The countries entering the currency zone are France, Germany, Italy, Spain, Austria, the Netherlands, Belgium, Luxembourg, Portugal, Finland and Ireland. The finance ministers will also decide the terms under which Europe's postage-stamp nations — Vatican City, San Marino and Monaco — can participate in the euro.

Three members of the European Union, Britain, Denmark and Sweden, are staying out of the monetary union by choice and a fourth, Greece, was unable to join because it was not able to meet the standards for entering and staying in. But Greece is joining the European exchange-rate mechanism, pegging the drachma to the euro, and hopes to adopt the currency by the time the notes and coins are introduced.

The introduction of the single currency fulfills the dreams of united Europe's founding fathers, such as Jean Monnet, who envisaged federation. This is just what scares the independent-minded British and many in the EU who are apprehensive that such a dramatic transfer of sovereignty will whittle down the power of the state.

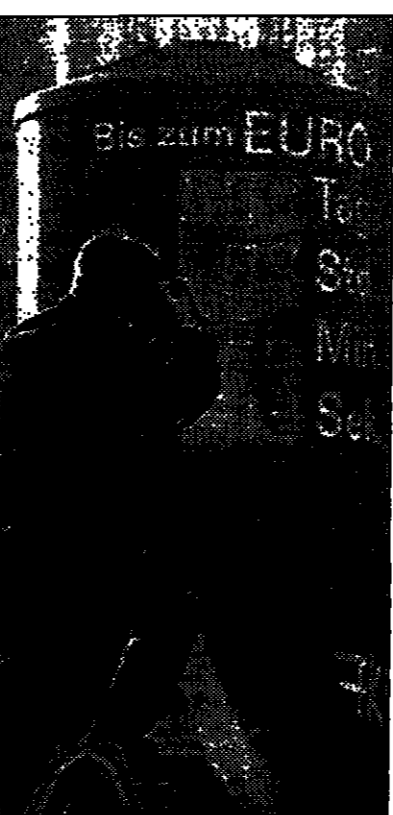
To deal with problems, such as per-

sistent high employment, governments will no longer be able to juggle exchange rates to make their countries' goods and services more attractive. They will have to become more efficient and, many experts say, they will be forced into cooperating in areas such as taxation and social policy. Already they are considering highly controversial proposals to tax interest on savings accounts held by nonresidents, and to eliminate corporate tax loopholes.

The introduction of the euro is officially the final phase of economic and monetary union, or EMU, which was called for by the Maastricht treaty on European Union. In effect, EMU is so far only a monetary union. Economic union is likely to follow as governments establish a policy framework.

The existing national central banks, such as the powerful German Bundesbank, will continue to exist, in effect as branches of the European Central Bank, which recently established a base interest rate of 3 percent for the entire zone.

The national banks will transfer 50 billion euro (\$58.38 billion) in reserves to the central bank. Their chiefs will travel to Frankfurt twice a month to debate and decide policies. But the central bank's president, Wim Duisenberg, Europe's counterpart to the chairman of the U.S. Federal Reserve Board, Alan Greenspan, will bear ultimate responsibility for those decisions.



Frankfurt's Euro Clock showing the time left Wednesday, two days before the euro goes into effect.

Inquiry Finds No Conspiracy in Oklahoma Blast

The Associated Press

OKLAHOMA CITY — A county grand jury that investigated the 1995 Oklahoma City bombing said Wednesday that it had found no additional conspirators and no evidence that the federal government had had advance notice of the bombing.

The panel returned one indictment, but it was sealed, and there was no information about what it concerned.

The grand jury also called on District Attorney Bob Macy to carry through with his plans to bring state murder charges in the bombing of the Alfred P.

Murrah Federal Building, in which 168 people died.

Mr. Macy has said he will charge Timothy McVeigh and Terry Nichols, who have already been convicted on federal charges.

The grand jury discounted various conspiracy theories, saying there was no credible evidence that the federal Bureau of Alcohol, Tobacco and Firearms had prior knowledge of the bombing or that there had been a federal government sting operation that had gone bad.

The grand jury also said it found no evidence of a second explosion and no

connections between the bombing and a white separatist community in eastern Oklahoma or anyone abroad.

"This was an act that could have been carried by one individual," the grand jury said. "We cannot affirmatively state that absolutely no one else was involved in the bombing of the Alfred P. Murrah Federal Building. However we have not been presented with or uncovered information sufficient to indict any additional conspirators."

"This was an act perpetrated by Americans on Americans," the grand jury added.

CHINA: Tech Transfers Hurt U.S. Security, House Panel Says

Continued from Page 1

But the creation of the committee followed abortive launchings of U.S. communications satellites atop Chinese rockets, a practice far less expensive than launchings in the West.

One involved Hughes Electronics Corp., which lost a satellite in the January 1996 explosion of a Chinese Long March rocket; the other involved Loral Space & Communications Ltd., which lost a satellite in a similar explosion the following month. That blast killed more than 200 villagers near the launch site. Both mishaps brought charges that the

companies had allowed militarily sensitive technology to fall into Chinese hands. Critics, most of them Republicans, harshly criticized the Clinton administration for approving the technology transfers.

But Mr. Cox said other transfers, involving other companies, were also examined, covering a period in which both Republicans and Democrats controlled the White House.

The House select committee also examined the question of whether those approvals were influenced by campaign contributions to the Democratic Party. Mr. Cox offered no details on that ques-

tion. He provided only general details of the panel's 700-page report, part of which is classified as top secret.

An earlier Senate examination of technology transfers to China brought damning criticism about administration practices from the Senate majority leader, Senator Trent Lott of Mississippi, and vehement rebuttals from the White House.

Mr. Lott said a Senate committee had found that the Chinese received sensitive military advantages because of a "wholly inadequate" U.S. export-control system. He said China had received "military benefit" from satellite exports.

مكتبة الامم المتحدة

TribTech

Cyber-Generation's Motto: Down With the Costly Internet

By Matt Richtel
New York Times Service

SAN FRANCISCO — In the 1960s, agitated students dropped out. In the 1990s, they are logging off. To express their frustration with the high cost of Internet access, students, academics and other cybercitizens around the world have engaged in a series of digital-era protests. They have shut off their modems and darkened their Web pages in daylong boycotts.

In recent months, these organized "Internet strikes" have taken place in China, the Czech Republic, France, Germany, Poland and Spain, involving thousands of protesters.

"The Internet should be accessible for everyone," said Soeren Frey, a university student in Germany who joined a virtual sit-in there in early November by shutting down his Web site.

"We want to force the monopolist to lower the local rates or introduce a special Internet fee."

While this is not exactly the idealistic rhetoric of, say, 1960s peace revolutionaries, the strikers say there is more at stake than merely a desire to surf the Net and send electronic mail.

Some say they worry that their respective cultures will fall behind in the

race for intellectual capital if they do not have widespread, affordable access to the global network.

To be sure, the cost of access is higher in some of these countries than in the United States, where unlimited access typically costs \$19.95 a month.

For instance, in France, Internet users pay roughly \$16 a month for unlimited access, but that does not include charges of anywhere from 70 cents to \$2.50 an hour for local telephone usage.

Residents of Germany pay a flat rate of \$22 a month for Internet access, plus local telephone charges of roughly \$3 per hour. Heavy Internet users in Germany can rack up phone bills in the hundreds of dollars each month.

Unlike most residents of the United States, consumers in many other countries are charged for local phone calls on a per-minute basis.

ORGANIZERS in Europe calling themselves the Campaign for Unmetered Telecommunications have set up a Web site to bring various protesters together to call for a "flat rate" for telephone and Internet charges.

The group says it is organizing for a

European Union "day of action" next year.

But representatives of French and German telecommunications companies contend that the prices they charge for Internet access are fair.

"This is not expensive," said Hans Ehnert, a spokesman for Deutsche Telekom AG, the company that controls

"The Internet should be accessible for everyone. We want to force the monopolist to lower the local rates or introduce a special Internet fee."

much of the German telecommunications infrastructure. Deutsche Telekom operates the country's dominant Internet service provider, T-Online, and is a target of the protests.

Mr. Ehnert said the protesters are just "scholars and pupils" who want access "really cheap all day long."

He said that despite protesters' claims to have orchestrated measurable drops in Internet traffic during their strikes, the boycotts have actually made no difference in Internet use.

Still, Mr. Ehnert said T-Online, which has 2.5 million subscribers, is

"lowering aggressively" its prices.

In France, the telecommunications provider France Telecom reported little impact from an Internet strike held Dec. 13.

Elizabeth Mayeri, a spokeswoman for France Telecom, which runs the dominant provider, Wanadoo, said traffic dropped 10 percent during the strike.

Bernard Martin-Raband, the general secretary of the Association of Discontented Internet Users, which organized the strike, estimated that traffic had dropped 20 percent to 25 percent. He said the strikers had received strong support from other providers in France, who also wanted to protest the local telephone tariffs.

Mr. Martin-Raband said the organization has been inspired and stays in contact with strikers in other countries.

A ONE-DAY protest Sept. 3 in Spain, which some say helped force a reduction in local telephone tariffs there, "lent us wings," Mr. Martin-Raband said.

This is not the first time that Internet users have relied on silence or boycotts as a form of protest.

To protest the Communications De-

partment Act, controversial U.S. legislation that attempted to eliminate "indecent" on the Internet, hundreds of cyber-strikers took down their Web pages in a "blackout" in 1996.

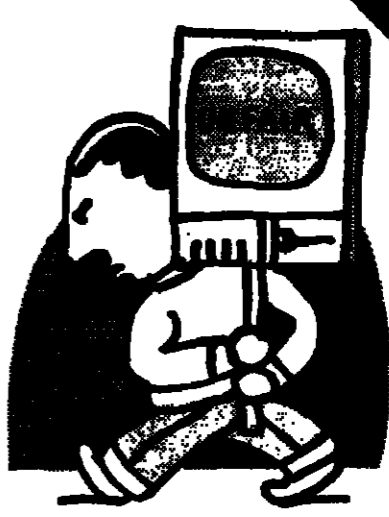
But earlier protests did not have the momentum of the current series of Internet strikes, according to Adam Clayton Powell 3d, vice president for technology and programs for the Freedom Forum, a Virginia-based free-speech organization.

M. R. POWELL said the current wave of protests may signal the beginning of a new era of strikes on-line.

"The technique can be used for any variety of grievances," he said. "I've begun to wonder whether this is one of a whole series of not just strikes, but cyber-protests."

Outside of the developed world, there is a separate reason why Internet access is not affordable.

The problem is not so much that the costs are unusually high, but that the average wage is so low that paying for Internet access is a luxury most people cannot afford, said Martin Burack, executive director of the Internet Society, an Internet standards and policy organization also based in Virginia.



Shawn Goldberg/IST

"The cost of getting 100 e-mails in some countries in Africa is \$30 to \$35 a month," he said.

"People can spend that money on access or to feed their families. Those are stark choices."

Matt Richtel writes for CyberTimes, which appears on the Internet site of The New York Times.



Les Horribles Cernettes performing at a party to celebrate the Nobel Prize won by Georges Charpak for physics.

Everybody's Doing the Atom-Smasher

Presenting the Cernettes, a Group of Particle Physicists Who Really Rock

By Malcolm W. Browne
New York Times Service

NEW YORK — The arcane language of physics is not exactly the stuff of song lyrics, but the Cernettes, billed as the first particle-physics rock band in the world, have hit the Internet. Even if nonphysicists fail to get their musical jokes, the Cernettes count on a growing audience of admiring scientists.

The Cernettes take their name from CERN, the acronym for the high-energy particle laboratory in Europe on the French-Swiss border near Geneva, with which all the singers are associated.

Membership in the four-woman amateur singing group and its hand changes from year to year, but the Cernettes' songwriter-lyricist, Silvano de Genaro, constantly provides material to keep the group up to par at the many physics meetings and celebrations where they perform.

On the job at CERN, Mr. de Genaro, a computer scientist, uses virtual reality to manipulate the virtual counterparts of battleship-size particle detectors that must fit into cramped niches in the laboratory's 27-kilometer (17-mile) circular accelerator tunnel. But in his spare time he writes songs in the doo-wop style popular in the 1950s and '60s.

"The average physicist around here was growing up in those years," Mr. de Genaro said, "and they get a nostalgic kick out of my tunes."

Some of his songs involve the Large Hadron Collider, or LHC, an atom-smasher nearing completion in CERN's accelerator tunnel.

Here is a verse from Mr. de Genaro's

lament "Collider":

I gave you a golden ring to show you my love,

You went to stick it in a printed circuit

To fix a voltage leak in your collector

You plug my feelings into your detector

You never spend your nights with me

You don't go out with other girls either

You prefer your collider

You only love your collider.

Celebrating the LHC, which is intended to be a mecca for American as well as European high-energy physicists, the Cernettes have renamed themselves Les Horribles Cernettes, or LHC for short, and they have posted some songs on their Web page, www.cern.ch/musicclub/cernettes.

Owners of computers with sound cards can hear the Cernettes (who often emulate the Supremes) croon catchy tunes such as "Strong Interaction" ("You quark me up, you quark me down, you quark me top, you quark me bottom"), "Antiworld," "Surfing on the Web" and "Microwave Love."

Since its birth in 1954, CERN's achievements have included monumental discoveries in particle physics, a succession of Nobel prizes and the construction of a proton collider that may yield enough energy to discover the elusive Higgs boson, a theoretical particle supposedly responsible for endowing all matter with mass.

But for ordinary people, CERN's most memorable achievement was to invent the World Wide Web as a way to organize and find information on the In-

ternet. The laboratory originally used its Web system as a communications network for physicists, but it grew as the Internet became nearly as universal as the postal system. As the Web outgrew the laboratory, CERN cast off its creation, which is now administered by others.

Mr. de Genaro, an Italian, writes his songs entirely in English, he says, because English is "the universal language of physics."

But this has created something of a language barrier between the CERN laboratory and the French and Swiss people outside it. Most of CERN's neighbors do not understand the jokes in his songs.

The Cernettes are not the only performers specializing in physics songs. In the United States, Dr. Lynda Williams—a former go-go dancer who teaches physics at San Francisco State University—has become a hit at physics conferences. Her on-stage gyrations and clever allusions to physics keep audiences of scientists roaring with laughter.

One of the theories she tackles is "supersymmetry," which posits the existence of particles called "sparticles," "squarks" and so on. Her song, to the tune of George Gershwin's "Swonderful," "pokes fun at the government's cancellation in 1993 of the Superconducting Supercollider, which would have been the largest accelerator in the world:

"Quantum dream, squandered it, bad publicity.

A awful sad, 'scould've had Our own SSC.

But where did the funding go? Must be hiding with the Higginsbos

"Swonderful, swonderful There's still the LHC!

ALT /Review

Word by Word With the Reading Pen

Potentially Strong Teaching Device Needs Steady Hand and Patience

By Robert O'Harrow Jr.
Washington Post Service

WASHINGTON — My daughter picked up the device and weighed it in her hand. She brought it up to her eyes and squinted. And as she inspected it with something resembling awe, I recalled those moments in the movie "2001: A Space Odyssey" who had just discovered wooden clubs.

I wondered: Could there be an educational breakthrough in the offing?

Her curiosity was understandable. This ingenious device from Seiko Corp.'s Seiko Instruments Inc. subsidiary is no bigger than a small cellular phone, yet it scans printed words, enlarges them on a small screen on the back and then reads them aloud.

Seiko officials bill the Reading Pen as an "assistive technology" for people with limited reading skills. That could be students who have learning disabilities or who speak English as a second language, or it could be adults who want to improve their vocabularies.

By pushing a few buttons, users can get definitions of 200,000 words from a built-in American Heritage College Dictionary. The device also can recall and read aloud the last 75 words selected. It runs on three triple-A batteries.

"More than 44 million people in the U.S. read significantly below the level needed to successfully conduct their daily lives," a company official said. "We believe this product will contribute significantly to improving literacy in this country and thereby make individuals more productive and self-sufficient."

I'm all for productivity. That's why I gave the Reading Pen to my 5-year-old, reckoning that as an enthusiastic reader and committed empiricist, she would give it a good once-over.

The results were decidedly mixed.

IT DIDN'T take her long to learn the essentials. She had to place the narrow tip of the pen on the page of a book, align it into the midsection of the letters and gently sweep the pen backward, or to the left, for each word. A little rectangular screen on the back of the pen displayed the word. An instant later, the device said the word aloud.

But after about a half-hour, my daughter crunched up her nose and offered a tempered assessment: It was not really very easy to use.

A lot of times, her hand would slip slightly. Or she would

misalign the one-inch-wide (2.54-centimeter) tip, and the pen would produce garble. The result was that she lost interest rather quickly.

I kept my mind open and gave the pen to a colleague, Liz Leyden. She discovered that the pen could actually mislead a user by displaying a word that was not the one she was trying to scan. While looking through Harper's magazine, for instance, she scanned "Sarajevo."

At first, for whatever reason, the machine displayed "data." When she managed to get "Sarajevo" to appear on the screen, the pen pronounced the word improperly with a hard "j" and a long "e."

"You have to have a pretty steady hand," Ms. Leyden said. "And if you don't get all the letters in a word, it can come up with a completely different word."

Now, all of this might seem to be nit-picking.

After all, the pen clearly makes use of some marvelous technology that could help many people learn to read, particularly special-education students. A plethora of other devices in recent years has helped to give students with disabilities a way to communicate and express themselves.

BUT MY experience was simultaneously disappointing. While I found that it technically worked as billed, I couldn't help wondering how much patience many would-be readers were going to have with the Reading Pen. I also wondered about the price, almost \$300. That seems high and, to my mind, puts the thing in the realm of an expensive toy for people who can afford the latest thing.

John Dudley, senior product manager at Seiko, said people should not be intimidated by some initial difficulties.

He assured me that the Reading Pen would get much easier to use over time.

He also said the price paled when compared with the benefit that users would de-

rive from being able to carry around a device that enabled them to understand text.

It is especially good for people who are afraid to signal their reading troubles by asking for help.

As usual, we shall see. My guess is that Seiko and other companies will continue to refine the technology and make it simpler, more effective and less expensive.

In the meantime, if it helps some people learn to read, it gets my vote. Now, can someone tell me how we can get it into the hands of people who don't have any money?

Robert O'Harrow Jr. can be e-mailed at oharrowr@washpost.com.



Seiko officials promote the battery-powered device as "assistive technology" for people with limited reading skills. A 5-year-old's assessment after a half-hour trial: It was not really very easy to use.

TECHNOLOGY INDEX			
Technology stock indexes around the world:			
	Tuesday close	Pct. change previous week	Pct. change year to date
North America			
Pacific Exchange Tech	445.30		+53.28
S&P Tech Composite	1176.08		+68.01
Europe			
Morgan Stanley Eurotec	612.58		+59.02
Asia			
Topix Electric	1542.53		-6.18

Source: Morgan Stanley, Bloomberg News

For technology articles from the past week, see TribTech on the IHT's World Wide Web site at <http://www.ihl.com>. Articles include:

- Y2K-Vulnerable Planes May Be Banned in U.S., Dec. 24-25
- Korea Telecom Rises 15% in Trading Debut, Dec. 24-25
- AOL Chief Becomes a Billionaire, Dec. 26-27
- Chipmaker's Stamp Hits Equipment Sales, Dec. 26-27
- On-Line Homebased Bridges Distance, Dec. 28
- Web-Stock Craze Gains Altitude, Dec. 28
- Investors Dig for Internet Gold, Dec. 29
- Cheaper by the Minute: German Phone Firms Slash Rates, Dec. 29
- Sweden's Proxima Software Firm Files for Bankruptcy, Dec. 30
- In Microsoft Suit, Gates Sees the Ghost of IBM Past, Dec. 30

To reach TribTech editors or to comment on IHT tech coverage, send e-mail to tribtech@ihl.com. International Herald Tribune.

A PC WITH A VIEW: Befitting their longtime rivalry, Sony Corp. and Panasonic almost simultaneously have launched personal computers with built-in digital video cameras.

"It's a new type of application — sending moving images over the computer — which could grow into a big market," said Takahiko Umevama, vice president for research at IDC Japan Ltd., a consulting firm. "When you have a video, your ability to communicate is enhanced by two to three times."

The idea of attaching video cameras to personal computers is not new. In the past they have been plugged into a computer port, but what Sony and Panasonic, which is a brand of Matsushita Electric Industrial Co., have done is build the camera and its software into the PC.

Click on the video software icon, and the camera and the voice recorder are activated and the user's face pops up on the screen almost instantly. The "mail" button sends the footage to a designated electronic mail.

Panasonic's version of the camera-mounted machine can also operate as a

video phone, provided the receiver has camera equipment hooked up at the other end.

Sony's model comes with software that lets the user activate certain tasks — like activate software — by holding a small piece of paper with black and white code in front of the built-in camera.

Mr. Umevama of IDC said other PC makers would probably follow suit as visual communication became an integral part of computing.

The portable Sony and Panasonic models retail for about \$2,000 and are not marketed outside Japan. (IHT)

A FORETASTE OF Y2K: The U.S. government is warning hospitals, emergency personnel and health-care practitioners that so-called year 2000 computer problems could affect two medical products a year early.

A Food and Drug Administration advisory said the potential problems do not pose any immediate health threat, but could create confusion and incorrect records. The problems involve switching from the year 1998 to 1999, affecting the ability of the products to display, print or store the correct time and date of when they are in use.

One product, Hewlett-Packard Co.'s 43100A/43200A external defibrillator, will function properly but will print out "set clock" rather than the month, day, hour and minute that it is in use. The company advises that the clock be reset to 1998 — not 1999 — after which it will work properly for 1999. At the end of 1999, it will have to be reset again — from 1998 to 2000.

The second product is Invivo Research Inc.'s Millennia 3500 multiparameter patient monitor. To avoid a clock problem, the company advises health-care personnel to neither test nor reset the devices Dec. 31 or Jan. 1. The company also has software to fix the problem.

More than 2,000 of these devices have been installed worldwide since June 1996. (AP)

WEB FINANCE WATCH: The on-line brokerage E*Trade Group Inc. said it had forged a marketing deal with CNN.com, a Web site of CNN's financial news division, in a move to share customers through partnerships with financial Web sites. Under the agreement, E*Trade said it would be featured on the high-traffic sections of CNN.com as well as promoted on the cable network CNN. (Reuters)

BRAZIL'S CELL BONANZA: Brazilian sales of cellular telephones will have grown about 25 percent in 1998, the newspaper O Estado de Sao Paulo said.

Stores are on track to sell more than 1.5 million cellular phones by the end of the year, bringing the number of users to more than 8.5 million, the newspaper said.

Waiting lists for cellular phones in Brazil have been falling since the telephone system, Telecomunicacoes Brasileiras SA, was sold in July to private investors and split into four fixed-line operators and eight cellular providers. Brazilian cellular telephone vendors forecast that the number of users will more than double to about 17.2 million by 2003. (Bloomberg)

Wednesday's 4 P.M. Close
The 2,600 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

[illegible]

Continued on Page 14

صَدَقْنَا مِنَ الْإِسْلَامِ

CAPE COD TRAVEL
<http://www.CapeCodTravel.com>

CAMPER & NICHOLSONS
<http://www.architect.org>

CRAZY HORSE PARIS
<http://www.crazy-horse.fr>

French and Cookery courses
<http://3points.edu>

HOTEL DE L'UNIVERSITE
www.hoteluniversite.com

HOTEL LOUVRE SAINT ROMAN
<http://www.basac-jules-droll.fr>

PHODE SCHOOL OF COUSINE
www.lo-gastrocity.com

LE RICHELIEU-Thalassiotherapy
www.le-richeleu.fr

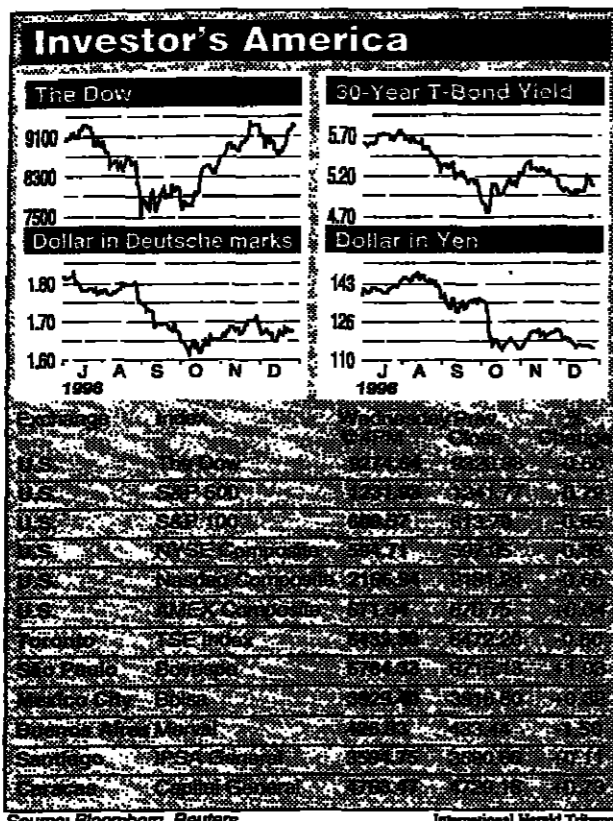
MANHATTAN LODGINGS, NYC.
www.manhattanlodgings.com

MOST CHARMING HOTELS IN PARIS
<http://www.parisave.com>

Wine

CHATEAU HAUT-BRION

THE AMERICAS



Source: Bloomberg, Reuters

Very briefly:

- Mexican legislators approved a 1.03 trillion peso (\$104.8 billion) budget for 1999, scrapping a proposed 15 percent telephone tax and replacing it with new revenue-raising measures. The compromise, representing a retreat for forces allied with President Ernesto Zedillo, broke a two-week stalemate that had threatened to shut down the government.
- The United Steelworkers of America union and seven U.S. companies filed a petition with the U.S. International Trade Commission complaining that steel-wire rod imports were seriously harming their industry. The companies filing the petition were Birmingham Steel Corp., Connecticut Steel Corp., Co-Steel Karitan, GS Industries Inc., Keystone Steel & Wire Co., North Star Steel Co. and Northwestern Steel & Wire Co.
- LTV Steel Co. was sued by the U.S. Justice Department's environmental enforcement division for violating clean-air, clean-water and hazardous-waste regulations at two plants in Ohio.
- Eastman Kodak Co. stopped making film for the Disc camera, almost a decade after it gave up selling the cameras. Kodak, the only remaining maker of the 15-exposure Discs, said in January 1997 it would cease Disc film production this year. Disc cameras were introduced in 1982, with sales of the film reaching a peak of 169 million in 1984. Sales fell to 300,000 this year.
- Tel-Save.com, which resells phone services over the Internet, signed an agreement to buy AT&T Corp.'s services for 25 years. The agreement also lets Tel-Save.com buy an unlimited amount of fiber capacity from AT&T over the next 12 months, significantly reducing Tel-Save.com's costs.
- Inkton Corp., an Internet software and search-directory company, plans to split its stock on a 2-for-1 basis.
- Hospitality Properties Trust, a hotel real-estate investment trust, agreed to buy 17 hotels from Marriott International Inc. for \$201.7 million as part of its strategy to diversify revenue sources.

Bloomberg, Reuters

Carmakers Ready to Roll Out Small Models

By Keith Bradsher
New York Times Service

CHELSEA, Michigan—Gasoline prices have plunged and sport-utility vehicle sales are soaring, yet many of the world's biggest automakers plan to introduce fuel-saving small-car models in the United States in the coming months. Are they crazy?

Not really. The interest in small cars is partly driven by regulations—automakers need to sell a lot of small cars to avoid violating U.S. fuel-economy laws. The coming surge is also partly a coincidence, as many automakers happen to have completed new designs at the same time.

More important, the new models reflect a shift in how automakers, particularly U.S. and Japanese automakers, look at small cars. Disappearing are the economy boxes of even two or three years ago, with their tiny wheels, plastic bumpers and sometimes gaudy paint schemes. In their place will be more expensive models that look and perform like shorter versions of midsize cars.

The new small cars will also have almost as much interior room as midsize models, thanks to higher roofs and clever designs.

A big reason for building small cars that look like downsized Ford Tauruses is that a greater number of older, more affluent Americans are buying them. They expect better comfort and amenities. Younger buyers, meanwhile, are increasingly turning to used cars and sport-utility vehicles instead.

The recent success of Volkswagen AG's New Beetle, whose price starts at \$16,425, has also reminded executives that small cars can be profitable after all. At the same time, the huge excess of small-car factories in South Korea and elsewhere in emerging markets, capable of producing extremely cheap cars, has left U.S. and Japanese automakers despairing of profits at the very bottom end of the market.

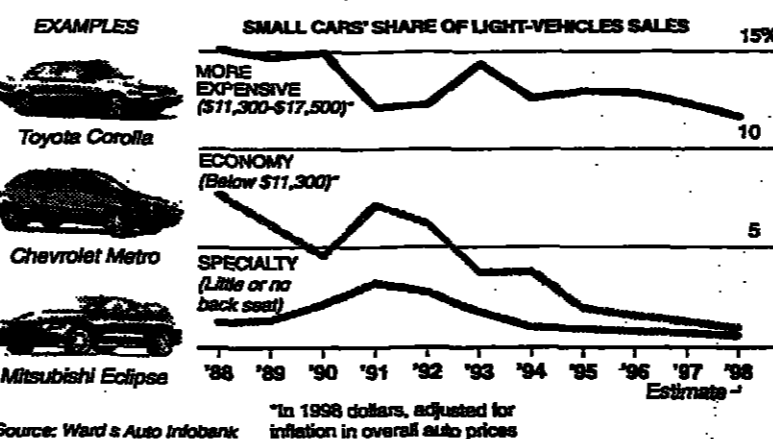
Ford Motor Co. last year stopped selling two of its smallest cars, the Aspire and the spartan Ford Probe.

Another important reason for selling plusher small cars lies in the growth of the late-model used-car market, as ever more 2- and 3-year-old cars come on the market at the end of leases.

Given a choice between a stripped-down small car and a similarly priced, late-model, midsize car with lots of options, more Amer-

Going Upscale in a Small Way

Low gasoline prices and the growing availability of late-model, used cars in good condition have hurt small car sales. Sales of the smallest economy models have suffered particularly, so automakers plan to introduce slightly more luxurious small cars that cost a little more.



Source: Ward's Auto Informant

*In 1998 dollars, adjusted for inflation in overall auto prices

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EUROPE

Lenders Fear Russia Will Opt for Default

Anxiety Grows as a Deadline Passes

By David E. Sanger
New York Times Service

WASHINGTON — Russia's failure to make a \$362 million payment on Soviet-era debt has raised fears among U.S. officials, the International Monetary Fund and lenders that there is a growing movement in Moscow to default on the country's obligations.

The commercial banks that are owed the money, led by Bank of America, stopped short of calling the failure to meet Tuesday's deadline a default, even though it appeared to be exactly that.

In August, in the midst of the devaluation of the ruble and the firing of reform-minded officials who had negotiated a financial bailout for the country with the IMF, Russia failed to pay hundreds of millions of dollars it owed to foreign governments. But Tuesday marked the first time it had failed to pay private creditors, on whom Russia's chances of economic recovery hinge.

Russia needed to reach agreement with 95 percent of its creditors to restructure its debt, essentially allowing it to pay the money back over a far longer period of time. But only 72 percent of those creditors approved a plan under which commercial banks would accept government-issued bonds as an alternative to cash. Russia insists that it needed to win the approval of only two-thirds of the creditors and therefore is not technically in default.

"There is no legal basis for default," said Igor Khachaturov, head of the department of foreign debt at Vnesheconombank, the government's debt-paying agent. Bloomberg News reported from Moscow.

[At least half of the bank creditors must vote formally to declare the bank in default, Mr. Khachaturov said. As the bank already had 72 percent support for its restructuring, "indirectly, this shows they are not in agreement" with default, he said.]

Bank of America, a unit of BankAmerica Corp., said through a spokesman that it was seeking clarification of the Vnesheconombank position but that the 95 percent ap-

proval requirement had not been changed.

The payment itself is not a major problem for the banks, and the markets long ago anticipated that Russia would be unable or unwilling to pay. But the signal sent by Russia seems bound to reverberate in world capitals, especially Washington.

International economic officials said they suspected Russia had decided to default on selected foreign debt. "The question," said one official who has been engaged in discussions with the Russians, "is whether this is an act of desperation or a negotiating tactic."

One possibility is that the government of President Boris Yeltsin has determined that there is little chance that private banks will lend it money for years to come, even if Russia begins to collect taxes, impose fiscal austerity and come to terms with the IMF over a new loan package. With no relationship with the commercial banks left to destroy, this theory holds, the Russians have simply decided to halt payments.

Others say the default may be only a negotiating strategy to force the banks to restructure the debt on Moscow's terms. "This may be their equivalent of an offer we can't refuse," one banker said last week. "They want us to think that the choice is between getting something — who knows how much — someday or getting nothing at all."

Toyota Gains Sales Lead

Bloomberg News

LONDON — Toyota Motor Corp., the world's third-largest automaker, is outselling rival Nissan Motor Co. in Europe for the first time in 23 years, helped by new and revamped models.

Nissan, No. 2 in Japan after Toyota, was the best-selling Japanese car brand in Europe from 1975 until this year. Through November, according to the latest figures available, Toyota sold 504,200 cars and trucks and Nissan sold 497,287 vehicles, the companies said.

Europe has become increasingly important for Japanese automakers because recession has slowed sales at home. Japanese automakers plan to invest about \$2.7 billion to double capacity in Europe by 2001.

Toyota, which is building a new plant in France, has seen sales rise after it redesigned its best-selling car, the Corolla, and the Avenis. Nissan is losing ground as it struggles to return to profit and relies on aging designs, analysts said.

Europe is the third-biggest market for Toyota after Japan and the United States. Its West European market share rose to 3.0 percent this year from 2.8 percent last year.

Nissan is expected to post its sixth loss in seven years for the year that ends in March. Although the company is profitable in Europe, its market share is unchanged this year, at 3 percent.

Is a Merger Imminent For Defense Giants?

BAe-DaimlerChrysler Talks Reported on Track

Compiled by Our Staff From Dispatches

LONDON — British Aerospace PLC and DaimlerChrysler Aerospace AG were reported Wednesday to be close to a merger deal that analysts said would trigger a wave of combinations in the European defense industry.

Most merger terms have been agreed, the Daily Telegraph reported.

British Aerospace shareholders will have 70 percent of voting rights and DaimlerChrysler Aerospace the remainder, while John Weston, chief executive of British Aerospace, will head the new company, the British newspaper said.

But a spokesman for DaimlerChrysler Aerospace said talks with its European partners — including British Aerospace — had paused for the Christmas break and would resume after New Year's Day.

"The article is press speculation," the spokesman said. "We will continue talks with all our European partners in January, and we have never made a secret of the fact that we are also talking with British Aerospace."

"We are in conversations with everyone, and we hope that those conversations lead to a conclusion soon," a British Aerospace spokesman said, giving the company's standard response to such reports.

A combination of the British and German companies would create the third-largest defense company in the world, with sales of \$21 billion.

A deal "will spur others in the industry," said Andy Chambers of SG Securities in London. "By the end of next year we'll see substantially larger groupings."

Talks between the two companies have prompted General Electric Co. of Britain, the second-biggest defense electronics maker in Europe, to accelerate its search for a partner. It is most likely to merge with Thomson-CSF of France, its biggest rival in defense electronics, analysts said.

Shares in Thomson-CSF rose 6.2 percent, to 240 francs (\$42.78), on Wednesday amid speculation that its chances of a merger with General Electric's Marconi unit looked promising.

"It is to be expected that the share would be boosted by speculative buying after this kind of report," one analyst said, referring to the Daily Telegraph article.

He added that by comments by Denis Ranque, chairman of Thomson, that he had the government's backing for a deal with Marconi, along with confirmation from General Electric that Thomson was on its short list of partners, had attracted speculative buyers to the stock.

General Electric said it was looking at Thomson-CSF, British Aerospace and the American companies Lockheed Martin Corp. and Northrop Grumman Corp. as possible partners. (Bloomberg, Reuters)

Continental AG's Profit Jumps as Sales Rise

Bloomberg News

HANNOVER, Germany — Continental AG, the world's fourth-largest tiremaker, said Wednesday its sales climbed 16 percent and profit rose "significantly" in 1998 after the acquisition of ITT Industries Inc.'s brake and chassis unit and because of strong demand for cars and trucks in Europe.

The company said sales rose to 13 billion Deutsche marks (\$7.76 billion), increasing profit above its 322 million DM in 1997. It attributed the

sales increase to the ITT unit, which had 1998 sales of 4 billion DM. This is the fifth year in a row that Continental will post increased earnings, tracking a recovery in the European auto market since 1993.

Continental sells about three-quarters of its goods in Europe, and it has flourished while competitors stumbled because of their greater exposure to Asian economies. Volkswagen AG and DaimlerChrysler AG, the top two German automakers and both Continental

clients, have reported booming sales this year. European car sales rose 7 percent in the first 11 months of the year.

"Things are rolling very well" for Continental, said Thomas Aney, an auto industry analyst with Hypo-Vereinsbank in Munich, who expects the company to post a 1998 profit above 400 million DM.

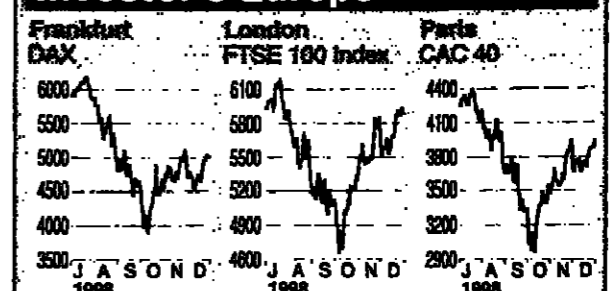
Continental is a distant fourth in the global market after Michelin SCA of France, Bridgestone Corp. of Japan and Goodyear Tire & Rub-

ber Co. of the United States. Continental's shares fell 0.60 DM to close at 46, dragged lower by a general decline in German stocks.

The acquisition of Teves, ITT's brake and chassis unit, allows Continental to offer automakers complete systems, such as braking and steering units.

Continental paid \$1.9 billion for Teves and completed the takeover in the fourth quarter. Teves's 1998 sales were 4 billion DM, a 5 percent increase over 1997, the company said.

Investor's Europe



Exchange	Index	Close	Prev. Close	% Change
Amsterdam	AEX	1,186.38	1,194.67	-0.69
Brussels	BEL-20	3,514.31	3,531.92	-0.49
Frankfurt	DAX	5,002.36	5,031.87	-0.59
Copenhagen	Stock Market	N/A	638.96	
Helsinki	HEX General	5,594.97	5,799.14	-4.04
Lisbon	OBX	504.31	500.84	+0.68
London	FTSE 100	5,862.60	5,941.50	-0.99
Madrid	Stock Exchange	867.80	871.72	-0.45
Oslo	NIBTEL	236.95	236.48	+0.20
Paris	CAC 40	3,542.55	3,591.10	-1.35
Stockholm	SX 16	3,945.03	3,972.99	-0.70
Vienna	ATX	1,120.77	1,119.42	+0.12
Zurich	SPI	4,497.12	4,518.99	-0.48

Source: Teletels International Market Tribune

Very briefly:

• Minorco SA cut its dividend after warning that its second-half profit would be below the \$123 million it earned in the first half because of slumping prices for copper and other commodities. Second-half income will drop "very substantially," the Luxembourg-based mining company said.

• The 11 nations adopting the common European currency showed average consumer-price inflation of 0.9 percent a year in November, down from 1.0 percent in October and 1.6 percent a year earlier.

• France's unemployment rate fell to 11.5 percent in November from 11.6 percent in October, the third consecutive monthly decline. The rate, representing 2.94 unemployed people, is the lowest since October 1995.

• Telefonica SA of Spain launched a one-for-50 bonus share issue aimed at making up for the lack of a 1998 dividend and closing a bumper year for the telephone company.

• Israel's gross domestic product, buoyed by exports and investments, grew 1.9 percent in 1998, down from 2.4 percent in 1997 but higher than previous estimates.

• Diageo PLC, the world's largest liquor company, said Bernard Arnault, chairman of LVMH Moët Hennessy Louis Vuitton SA, would resign as nonexecutive director in a move that analysts said could prompt LVMH to cut its 11 percent holding in the British company.

• LCI Computer Group NV, a Dutch information-technology and services company, said 1998 sales would rise more than 30 percent as it included the earnings of four companies bought in recent months.

• AO Tokobank, previously one of Russia's top 20 banks, said a Moscow court had declared it bankrupt, four months after the central bank revoked its license because it could no longer pay its payments. (Bloomberg, Reuters)

WORLD STOCK MARKETS

Tuesday, Dec. 30

Daily prices in local currencies.

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ASIA/PACIFIC

Hard-Liner Assails China's Policy

BEIJING—A hard-line Marxist has condemned China's policy of selling small state-owned enterprises and asserted that capitalism is eroding socialism.

The comments by Deng Liqun, 84, once China's propaganda chief and still regarded as the country's leading leftist figure, reflect a broader political chill in the country.

Three founding members of a nascent opposition party were sentenced to long prison terms last week, and President Jiang Zemin has vowed that subversion will be "nipped in the bud."

In a speech reprinted in the December issue of the monthly magazine *Zhong Guo*—which means "midstream"—Mr.

Deng took a swipe at reformers in the Communist Party who he said had abandoned socialism.

"In their hearts, it's no longer 'only socialism can save China' but 'only capitalism can save China,'" he said, adding that "the rights of an overwhelming majority of people would be guaranteed if state-owned enterprises were in the hands of Marxists and Leninists."

China is selling thousands of unprofitable state enterprises while shoring up its top 1,000 or so corporations under the slogan, "Grab the big, abandon the small."

Avowed Marxists led by Mr. Deng have made no secret of their opposition to the reform efforts endorsed by the Communist Party, in September 1997 and

Investor's Asia

Index	1998	1999	Change
Hong Kong Hang Seng	10,124.44	10,225.37	+1.02
Singapore Straits Times	3,394.78	3,376.49	-1.18
Taipei TSE	2,794.26	2,766.40	-0.97
Tokyo Nikkei 225	10,862.17	13,848.97	+2.75
London FTSE 100	5,714.38	5,682.28	-0.56
Stock Market Index	4,462.88	4,478.27	+0.35
Commodity Index	582.81	582.81	0.00
Stock Market Index	4,462.88	4,478.27	+0.35
Commodity Index	582.81	582.81	0.00
Stock Market Index	4,462.88	4,478.27	+0.35
Commodity Index	582.81	582.81	0.00
Stock Market Index	4,462.88	4,478.27	+0.35
Commodity Index	582.81	582.81	0.00



U Sai Lone with a load of hats in his shop in northern Burma.

TRADE: Chinese Goods Flood Neighbors

Continued from Page 1

alarm clocks to consumers on the other side of China's borders.

"Exports to the poor border nations are pretty unimportant in terms of China's total trade," said Ken Davies, chief economist at the Economist Intelligence Unit in Hong Kong. "But from the other point of view, China is easily in a position to overwhelm these neighboring economies with goods."

U Sai Lone said the Chinese exports had already hit his suppliers in the village of Joy Gong about 20 miles (32 kilometers) from Hsipaw where a group of families has long made Shan hats.

Mr. Davies and other economists said key factors accelerating the cross-border trade include warehouses in China stuffed with poor quality goods that are being sold off at below cost by state-owned factories; Beijing's call to fight the Asian economic crisis with increased exports; and the Chinese government's longer-term policy of encouraging the economic development of inland provinces.

Also, by developing cross-border trade, China cultivates strategic relationships with nations associated with the former Soviet Union and gains access to much needed natural resources such as the oil of Central Asia or timber in Southeast Asia, the analysts said.

In Burma, the array of factors lifting Chinese exports have coincided with a collapse of foreign investment in local manufacturing, a sharp slowdown in trade with Thailand and India and construction of a four-lane road to the border from Burma's trading center, Mandalay.

The 160-mile trip from Hsipaw to the Chinese border was once a two-day drive that could be accomplished only in the dry season. Now takes less than five hours along a paved road. Within the frontier zone much of the trade is paid

for with barter and smuggled across the border to avoid import restrictions. For large-scale purchases traders employ individuals on a day rate to carry goods across the border. The result in Burma is a national consumer economy largely based on tax-free imports that do not show up on official statistics.

"Even China's most seemingly reliable statistics—such as trade with the U.S.—are highly controversial," said Chi Lo, senior international economist at Hongkong & Shanghai Banking Corp. "For trade along China's land borders anecdotes will get you further than any official numbers."

Evidence of Burma's heavy reliance on imports can be seen at most restaurants: Spoons, glasses, plates, toothpick holders, soft drinks and plastic chairs are all imported, most from China.

With little industrial production developed enough to compete with Chinese factories, Rangoon has never publicly charged Beijing with trade dumping. Import restrictions have been introduced with mixed success since April, but government officials speak with wonder at the increased volume of trade from China and consumers readily snap up low-cost goods.

In Vietnam, however, factories freshly built by foreign investors have been undermined by Chinese imports, prompting loud complaints to Hanoi officials.

"Water pumps smuggled across from China are terrible quality but they sell for half the cost of production here," a foreign investor in Vietnam said. "A foreign company is not alone. Just take a look around Hanoi for bicycles made in Vietnam, and you will see the same thing has happened."

The investor added that while officials earnestly promise to study the competition from China, the government has little control over trade passing through the porous border zone.

Nomura to Cut 650 Jobs Outside Japan

TOKYO—Nomura Securities Co., Japan's biggest brokerage, said Wednesday it would eliminate 650 jobs in North and South America and Europe as part of a worldwide effort to cut costs by almost 20 percent by March.

The cuts are part of a restructuring plan announced in October, a spokesman said. Nomura had 4,600 employees overseas as of Sept. 30—2,300 in Europe, 1,400 in the Americas and 900 in Asia outside Japan.

The company lost 207.26 billion yen (\$1.78 billion) in the half-year through September, including losses of \$600 million on U.S. mortgage-backed trading and \$600 million on Russian bonds.

Nomura also plans to reduce fixed costs overseas by 30 percent, to 100 billion yen, by its 2000 financial year, compared with 130 billion yen in its 1997 year.

At the same time, the company said, it will hire 50 employees in Asia outside Japan to strengthen securities operations in Taiwan and the Philippines.

Nomura announced in October that it would cut 2,000 jobs among its 13,000-member domestic work force by 2001 and close about 20 percent of its retail outlets in Japan to cope with the recession in the country.

(Bloomberg, AP)

INDIA: Carmakers Race for Country's Potential Buyers

Continued from Page 11

signed by Tata Engineering & Locomotive Co., the largest conglomerate in India, is perhaps best positioned to gain ground at Maruti's expense, analysts say.

The car is also likely to benefit from the strength of the Tata brand among Indian consumers—even though the company mainly makes lumbering trucks rather than driver-friendly cars.

[Maruti slashed prices of two of its small cars Wednesday, just hours before Tata launched the Indica, Bloomberg News reported from New Delhi.]

[Tata "could turn out to be the real challenger to Maruti," said R. Amarnath of ABN-AMRO Asia Securities Ltd. in Bombay. "Daewoo and Hyundai may turn out to be just also-rans." Tata priced its Indica car at between 259,000 rupees (\$6,100) and 390,000.

[Maruti cut the lowest price for its 1000 cubic-centimeter engine Zen model to 295,000 rupees from 350,000 rupees. The lowest price for a Maruti 800 model was cut to 185,000 rupees from 210,000 rupees.]

Economic reforms and easier consumer credit drew car giants to India, raising overall output to about 410,000 cars last year from 154,000 in 1992. But that's a far cry from the 1 million forecast just three years ago, after pent-up demand for midrange cars sent car sales rocketing in 1993 and 1994.

The temporary acceleration in sales led manufacturers such as Daewoo to overestimate the potential of the market. Daewoo's plant near Delhi can assemble 72,000 Cielo sedans a year. But in the six months through September, the company sold 4,144 cars, or less than half as many as it sold during the like period a year. For

Very briefly:

- South Korea delayed until Thursday a decision on selling state-run Korea First Bank and Seoul Bank, saying it needed further talks with the bidders, HSBC Holdings PLC and a U.S. group that includes General Electric Capital Corp.
- LG Semicon Co., a South Korean chipmaker, may decide to seek financing abroad if local financial institutions maintain their freeze on fresh credits, the company's chief executive officer said. LG's creditors suspended credits to LG Semicon to pressure the company to give up managerial control in a merger with another local chipmaker.
- Tenaga Nasional Bhd., Malaysia's biggest electricity utility, is putting five more power stations up for sale as it tries to raise 4 billion ringgit (\$1.05 billion) in cash and focus on power transmission and distribution.
- The Hong Kong Monetary Authority said 1998 had been the toughest year on record for Hong Kong banks and that next year would probably be worse. The authority said it expected some lenders to lose money and said the Hong Kong dollar's peg to the U.S. dollar would come under renewed pressure.
- Taiwan's central bank plans to make 150 billion Taiwan dollars (\$4.65 billion) available for low-cost housing loans, the latest in a string of measures to shore up confidence amid a tough stock market slump.
- Cable & Wireless Optus Ltd., Australia's second-ranked telecommunications company, signed an agreement to contract out some of its information-technology services to International Business Machines Corp. The five-year contract, valued at 750 million Australian dollars (\$460 million), will enable Optus to focus on its communications business.
- Indonesia plans to sell about 12 percent of PT Indosat, the country's dominant international phone company, raising cash to rebuild its shattered economy.
- Nishio Iwai Corp., a Japanese trading house, plans to cut 1,000 of its 4,100 jobs through early retirements and attrition by March 2002 as part of its restructuring measures, the Nihon Keizai Shimbun reported.

BOOKS

THE GIANT, O'BRIEN

By Hilary Mantel. 192 pages. \$22. Henry Holt.

Reviewed by Carolyn See

THIS novel takes place in the British Isles in the late 18th century and is based on two parallel sets of antagonisms: the oppressive English versus the beleaguered Irish, and the emerging "scientific" mind versus the dreamy "artistic" mentality. Too bad we know in each case who wins.

The giant, Charles O'Brien, lives out his youth in an Ireland where roofs are torn from wretched huts, green forests cut down to pathetic stumps, where villages are nothing more now than collections of starving people and every road nothing more than a rivulet of muddy waste.

The giant notices all this—and doesn't notice. His head is in the clouds. He's a storyteller and lives for his stories, and for the effects that his stories have on his audience. He travels through this hellish pit accompanied by an entourage of desperate but cheerful friends, telling them baroque, marvelously ornate tales of goblins and witches and sorcerers and beasts and princes.

But even more miraculous than his tales of changelings and other magic creatures are his visions of great leisure, elegance and untold wealth. How can the giant possibly know about lush tapestries and bright silks and engraved silver flasks and exquisite palaces when he has never even seen a two-story house?

He knows, we must imagine, because he is a born artist and has mysterious access to a world that, in "real" terms, must be beyond him. In addition to being an artist, O'Brien is also a freak of nature—about 8 feet (2.5 meters) tall, would that be it? The giant decides, more or less on a whim, to journey with his friends to

London, to explore further what he has that makes him different: His tall stories, and his height.

O'Brien hopes that London will be something like the rich and fabled cities he has hoped for and dreamed of, but he's Irish, and the fate of the Irish in London is hanging, or worse.

There's nothing here for poor people but drink, confusion and dying: "dying of dropsy, quinsy, tick, measles, croup, gout, cancer, teething, overlying, mold-shot head, thrush, cough, whooping-cough, dueling, surfeit, pleurisy, dysentery, lethargy, child-bed, king's evil, and unknown causes; and some from grief, and some from a footpad's ball, some double-ironed in dungeons and some from the bite of a mad dog, some from French pox, cholera, gripes, flux, scurvy, fistula, worms."

The giant's little band of Irish has journeyed from one hell into a worse one: Having already robbed them of all things material, the English and their "civilization" will now rob them of their beauty, their self-respect and their souls, and this tale plays out in several ways.

The giant is a freak. Indeed, he has come to the city to sell this very attribute, his amazing height wedded to his antic strangeness. But artists rarely get the audiences they need or deserve, and O'Brien's sad fate is to be noticed by John Hunter, a Scottish medical man crazed by the new science, an inventor of experiments upon experiments, a man who collects all things strange, a man who hires grave robbers to keep his supply of new cadavers at the ready, a man who injects himself (and an innocent passing stranger) with syringes so that he can record the symptoms. Hunter sees the giant but sees only his height, not his magnificence.

To him O'Brien is just another two-headed cow, another specimen. Hunter

begins bounding the giant and also cataloging his friends: When O'Brien dies, as he surely will, can Hunter have the skeleton, to add to his collection?

Scientists like this rarely fare well in fiction. The urge to annex human experience, to conquer and categorize and own and possess, is one of mankind's least pleasing attributes, unless you are one of those people who like to annex and conquer and categorize and possess.

O'Brien's band who are hounded by Hunter would seem to have been entirely bereft long before they ever got to London, but now they are robbed again—just as in one of the giant's own stories—of what are actually their most precious possessions. A beautiful young girl is raped, strangled, beaten and so on—but not before she has been lured to a rich woman's house and shown of her beautiful blond hair. The giant's friends betray him, of course, and horribly betray themselves in the process.

They've changed from dreamers to sordid crooks, from innocents to sour and sad subhuman louts. So has smug England robbed hapless Ireland down the centuries. Hilary Mantel might say, and so have smug "scientists" debased the artistic impulse by denigrating humanity in the service of an impersonal body of knowledge.

On the other hand, what does an artist do but try his or her hardest to annex, control, categorize, define the whole human experience, just like a scientist, except in a different way? Maybe the brilliant Hilary Mantel will address that question in her next novel. For now, in this one, storytellers' dreams are doomed to extinction by a shoddy, venal, mercantile impulse masquerading as scientific truth.

Carolyn See reviews books regularly for The Washington Post.

BRIDGE

By Alan Truscott

THE diagramed deal was played some four decades ago, on Charles Goren's popular television show, with the late Sallie B. Johnson as North and Oswald Jacoby holding the South cards. The bidding appears old-fashioned to a modern eye. A three no-trump opening then showed a balanced hand with at least 25 high-card points, but it made accurate slam bidding very difficult.

The four-club response was Gerber, and the four no-trump rebid showed three aces. The result was that the partnership reached six no-trump instead of the more desirable contract of six spades. The spade fit was never uncovered.

Either of the possible

slams, in no-trump or spades, appears to depend on the location of the club queen. In both there is an extra chance: a throw-in play that will force the defense to open up the club suit. The chance of this is

NORTH (D)
 ♠ 10 8 5 3 2
 ♥ 5 4
 ♦ A
 ♣ K J 9

EAST
 ♠ 6
 ♥ Q 7 3
 ♦ 10 8 5 4 2
 ♣ Q 10 9 2

SOUTH
 ♠ A K Q J 8
 ♥ A K 2
 ♦ K Q
 ♣ A 6 4

The bidding:
 South West North East
 3 N.T. Pass 4 ♣ Pass
 4 N.T. Pass 6 N.T. Pass
 Pass Pass

West led heart jack.

The ending is diagramed here:

NORTH
 ♠ 6
 ♥ Q
 ♦ K J 9

WEST
 ♠ 10
 ♥ 10
 ♦ 7 5 3

EAST
 ♠ Q
 ♥ Q
 ♦ Q 10 8

SOUTH
 ♠ 2
 ♥ A 6 4

Jacoby cashed the club ace and led his remaining heart to make his slam by endplaying East. That player was left to realize that he should have discarded his heart queen on one of the spade leads.



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SPORTS

Soccer Clubs in Greece Strike for Unpaid Cash

Greek soccer clubs have called off all first-, second- and third-division games this weekend to press their claims for unpaid money from state betting pools.

The matches will resume on Jan. 10 if, in the meantime, the state pays 300 million drachmas in arrears. If not the

EUROPEAN SOCCER

strike will become indefinite," an official from the Association of Professional Football Clubs said Wednesday.

The association says OPAP, the state body that runs the soccer betting pools, owes it the sum, which is equivalent to \$1.1 million, from last season. The association has also demanded an increase in the percentage of the profit from the pools it receives.

"A hungry bear can't dance. We will play if OPAP gives us the money," said Petros Theodoridis, the owner of the first-division Iraklis team.

Ticket sales for soccer matches have dropped in the past few months following fan violence and allegations of corruption in first-division matches.

"It will not be the end of the world if there is no soccer for a few weeks," Andreas Pournas, the sports minister, told the Athens daily Kathimerini.

Sparked by accusations of biased refereeing, a wave of vandalism and violence began in November. It led to

harsh criticism of the sport in a parliamentary committee report.

Fans rioted during a Dec. 8 first-division match between Olympiakos Piraeus and its main rival, Panathinaikos, at the stadium set to host the 2004 Olympic Games.

ENGLAND Wasted scoring opportunities cost Chelsea the chance to go back to the top of the English Premiership on Tuesday as it was held to a scoreless draw by visiting Manchester United.

Tore Andre Flo and Gianfranco Zola squandered a string of chances as the west London team failed to make its first-half domination pay. Chelsea created, and wasted, 15 first-half chances.

The result meant Aston Villa remained top of the Premier League, two points ahead of Chelsea. Chelsea is two points ahead of United, which moved into third place, and Arsenal, the reigning champion.

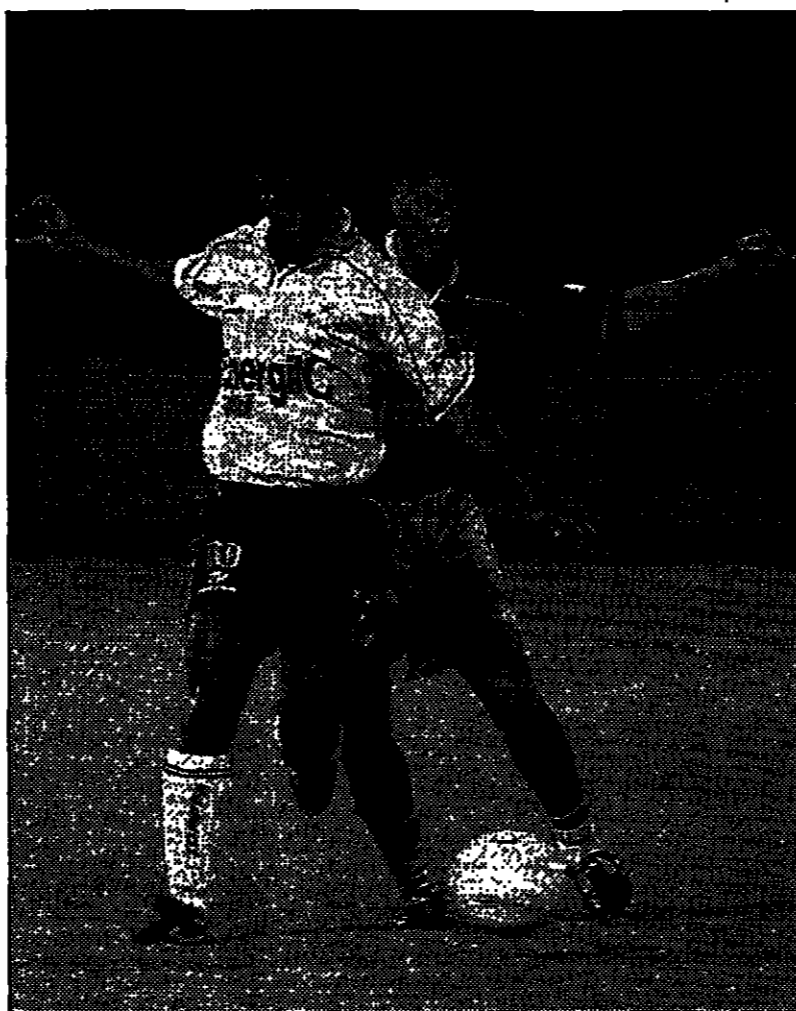
Leeds United is fifth after it drew, 2-2, Tuesday with Wimbledon.

Bruno Ribeiro's fine angled drive gave Leeds the lead after 26 minutes.

The visitors, who have never won at Leeds, hit back four minutes before halftime when Robbie Earle drove a shot into the corner of the goal.

David Hopkin restored Leeds' advantage after 57 minutes, tapping in a rebound. But Carl Cort volleyed in a superb equalizer seven minutes from time.

(AP, Reuters)



Valdo of Cruzeiro, left, tussling with Arce of Palmeiras in the Mercosur Cup final in Sao Paulo. Palmeiras won after taking the third leg, 1-0.

Pretoria Enters Race For 2006 World Cup

ZURICH — South Africa confirmed Wednesday that it had officially entered a bid to stage the 2006 World Cup. The deadline for bids is Thursday.

Danny Jordaan, the chief executive of the South African bid, said his nation's

WORLD SOCCER

bid had been sent to FIFA, the governing body of world soccer, on Dec. 14.

South Africa became the seventh entrant, joining Brazil, England, Egypt, Germany, Ghana and Morocco.

Morocco, which unsuccessfully bid for the 1994 and 1998 finals, added its name to the list earlier in December. The other countries all submitted their official bids in November.

Sepp Blatter, the FIFA president, has repeatedly advocated that the 2006 finals be staged in Africa, where they have never been held before, if all the conditions laid down by FIFA for playing host to the tournament — stadium facilities, transportation, telecommunications, security and hotels — can be met.

FIFA will inspect the countries and their facilities before Jan. 31, 2000. FIFA's executive committee will vote on the host in March 2000.

SOUTH AMERICA Palmeiras beat Cruzeiro, also of Brazil, 1-0 in a mean-spirited, violent and cynical match to

win the Copa Mercosur. Francisco Arce, a Paraguayan defender, scored the only goal Tuesday in Sao Paulo to decide the third and final leg of the tie.

Cruzeiro had won the first leg, 2-1, but

On Tuesday, almost every move was interrupted by a foul and almost every foul was followed by players arguing with either match officials or among themselves. Palmeiras adopted time-wasting tactics late in the game, slowing the action even further.

Six players received yellow cards and the Cruzeiro striker Marcelo Ramos and coach Levir Culpi received red cards in the final 15 minutes.

Cruzeiro had stoked up bad feeling before the match by accusing Palmeiras, which had home advantage for both the second and third matches, of being violent in the game Saturday.

The only spell of watchable soccer came early in the second half when the Cruzeiro veteran Valdo, a survivor from the Brazil 1990 World Cup team and the best player on the field, hit the crossbar twice in the space of two minutes with long-distance shots.

The game finished a dismal inaugural Copa Mercosur, which is aimed primarily at television. The competition has been plagued by low attendance and snubbed by clubs, which fielded reserve teams in several matches. (Reuters, AP)

SCOREBOARD

ICE HOCKEY

NHL Standings

EASTERN CONFERENCE				WESTERN CONFERENCE			
Team	W	L	T	Team	W	L	T
New Jersey	20	9	4	Colorado	16	16	3
Philadelphia	17	9	9	St. Louis	12	17	3
Pittsburgh	14	10	7	San Jose	12	17	3
N.Y. Rangers	12	14	7	Los Angeles	12	17	3
N.Y. Islanders	12	17	3	San Jose	12	17	3

FOOTBALL

NFL Playoffs

Team	W	L	T	Team	W	L	T
Buffalo	12	10	0	San Francisco	12	10	0
San Jose	12	10	0	San Francisco	12	10	0
Los Angeles	12	10	0	San Francisco	12	10	0
San Jose	12	10	0	San Francisco	12	10	0
Los Angeles	12	10	0	San Francisco	12	10	0

COLLEGE BOWL GAMES

Team	W	L	T	Team	W	L	T
Buffalo	12	10	0	San Francisco	12	10	0
San Jose	12	10	0	San Francisco	12	10	0
Los Angeles	12	10	0	San Francisco	12	10	0
San Jose	12	10	0	San Francisco	12	10	0
Los Angeles	12	10	0	San Francisco	12	10	0

EUROSTAR MATCH

Team	W	L	T	Team	W	L	T
Buffalo	12	10	0	San Francisco	12	10	0
San Jose	12	10	0	San Francisco	12	10	0
Los Angeles	12	10	0	San Francisco	12	10	0
San Jose	12	10	0	San Francisco	12	10	0
Los Angeles	12	10	0	San Francisco	12	10	0

CRICKET

Team	W	L	T	Team	W	L	T
Buffalo	12	10	0	San Francisco	12	10	0
San Jose	12	10	0	San Francisco	12	10	0
Los Angeles	12	10	0	San Francisco	12	10	0
San Jose	12	10	0	San Francisco	12	10	0
Los Angeles	12	10	0	San Francisco	12	10	0

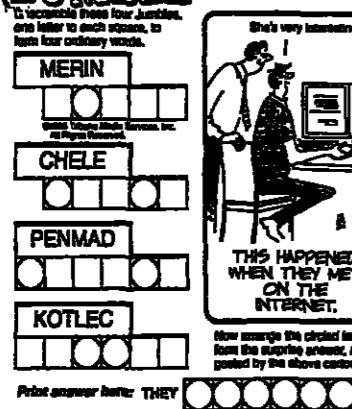
TRANSITIONS

Team	W	L	T	Team	W	L	T
Buffalo	12	10	0	San Francisco	12	10	0
San Jose	12	10	0	San Francisco	12	10	0
Los Angeles	12	10	0	San Francisco	12	10	0
San Jose	12	10	0	San Francisco	12	10	0
Los Angeles	12	10	0	San Francisco	12	10	0

DENNIS THE MENACE



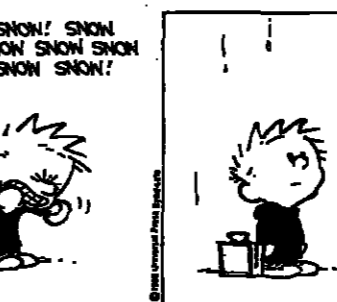
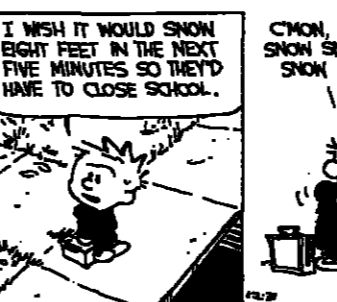
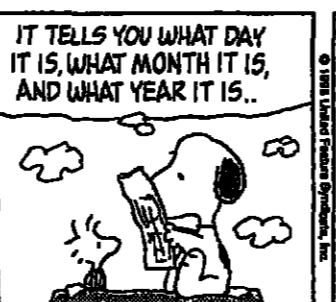
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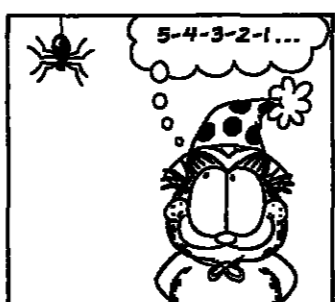
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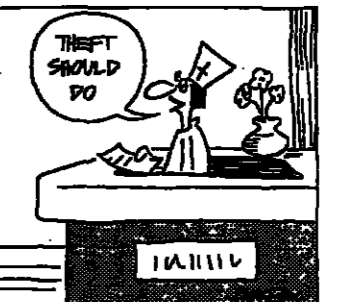
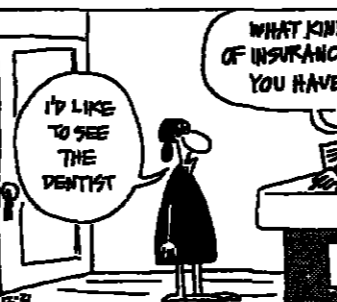
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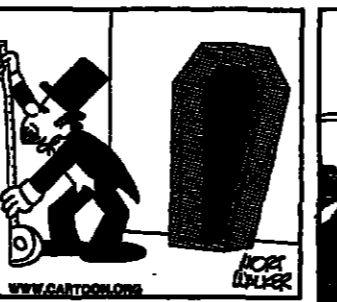
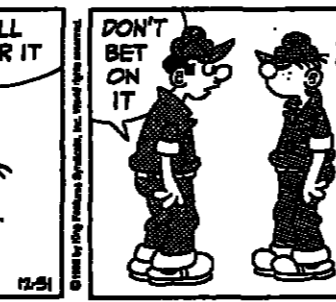
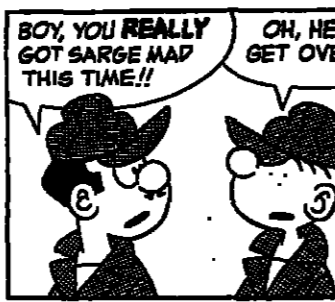
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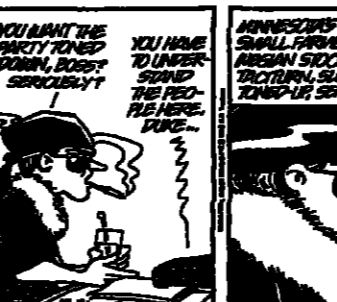
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ART BUCHWALD All Those Words

NEW YORK — Many things were said in 1998 that should have been left unsaid. Here are some of them:

"Mr. President, do you swear to tell the truth, the whole truth and nothing but the truth, so help you God?"

"Monica, you're not going to wear that dress to the White House are you?"

Lucianne Goldberg to Linda Tripp: "Linda, have you thought of doing the oral history of an intern in Washington?"

"Doctor Kevorkian, are you sure you want to pull that plug out?"

"Mr. Starr, any news on Whitewater?"

Minister to Bill Gates: "Bill, you can't buy happiness, but if anyone can afford it, you can."

Aide to Congressman Bob Livingston: "Larry Flynt of Hustler called, but I told him you were in a meeting."

Republican leader to Newt Gingrich: "Newt, if you say you're going to resign, there will be such an uproar in the country that the Republicans will never let you do it."

Boris Yeltsin to his wife: "Everything about the Duma makes me sick."

Manager to Mark McGwire, home-run king: "Bum."

Political handler to Senator Al D'Amato: "Puthead is a fun word you haven't used before."

War minister to President Saddam Hussein: "Duck."

Mobil Top Dog to Exxon Top Dog: "If you lay off 40,000 employees and we lay off 35,000, we'll be able to vote ourselves a Christmas bonus."

"Mr. President, would you have any objections if we bombed Baghdad the day before you are impeached?"

Elizabeth Dole to Bob Dole: "Put down that bottle of Viagra or I'll kill you."

Wall Street Broker: "The president has been impeached, we're bombing Iraq, Japan is on shaky financial ground and Russia has declared bankruptcy. This is a true golden investment opportunity."

To Vernon Jordan: "What do you mean you lost my résumé?"

PEOPLE

THE Holocaust survivor Simon Wiesenthal, who tirelessly tracked down Nazi war criminals for more than five decades, will celebrate his 90th birthday on Thursday at his Vienna home. But even at 90, Wiesenthal is not expected to announce his retirement. The man who brought 1,100 Nazi runaways to trial visits his cluttered office in the Vienna-based Jewish Documentation Center almost every day. "I still have to get used to the idea of being 90," Wiesenthal said in an interview. "I never would have thought I would get so old, especially not in the concentration camps." Almost 90 members of his family perished in the Holocaust, but he was reunited with his wife, Cyla, who managed to escape from a camp in 1941.

Francois-Hubert Drouais's "Madame de Pompadour," the celebrated full-length portrait of the mistress of King Louis XV of France, will pay its first visit to New York in January. The Marquise de Pompadour, whose real name was Jeanne Antoinette Poisson, lived from 1721 to 1764. Her influence at Versailles extended from politics to the arts. On loan from the National Gallery in London, the painting will be exhibited at the Frick Collection and accompanied by a display of complementary paintings from the Frick's holdings.

They battled for years, but once Sylvester and Tweety got together to pose for postage, their portrait became the top stamp of the year. The U.S. Postal Service says that nearly 38 million stamps featuring the battling cat and canary were saved by collectors in 1998, beating their nearest rivals by several million. Even so, Tweety and Sylvester fell far short of the all-time most popular U.S. postage stamp, the 1993 Elvis Presley commemorative, of which more than 124 million were collected by stamp aficionados.

Ten years after James Campbell asked the FBI for its files on the late novelist James Baldwin — and years after Campbell's biography of Baldwin appeared — the U.S. Court of Appeals has ruled, 3 to 0, that the bureau may have unjustifiably withheld some of the requested information. The FBI initially provided several thousand pages from its files on Baldwin, some heavily blacked out. But Campbell's lawsuit challenged the bureau's refusal to turn over additional records showing how agents monitored Baldwin's civil rights activities and his contacts with alleged communists during the 1960s.

Ah, What a Year It Was: From Sex to... Sex

By Dave Barry

MIAMI — Last year, when I wrote my annual Year in Review, I looked at the events of 1997 and I concluded that there could not possibly ever again be a year as pathetic as that one.

Boy, was I a moron.

I'm not saying that 1998 was ALL bad. There were some moments that made me feel good about myself. Mark McGwire hitting that 62d home run was certainly one such moment. And then there was... Let's see... O.K., how about Mark McGwire hitting that 63d home run? THAT certainly made us feel good about ourselves!

The main reason we felt bad about ourselves, of course, was the story that totally dominated the news of 1998 — the story that at first fascinated us, but that was hyped and hammered on so relentlessly by the shrieking, hysterical, obsessive news media that we finally just wished it would GO AWAY so we could get on with our lives. I am referring, of course, to the last episode of "Seinfeld."

JANUARY

The economy is sizzling, and millions of small investors, overcoming their fear of getting burned in the stock market, are being lured by the siren call of Wall Street. "Here, little investor!" calls Wall Street. "Don't be afraid! 'C mon, boy! Here it's 'vestor 'vestor!'"

But while ordinary Americans are withdrawing their life savings and selling kidneys to plunge deeper into the stock market, ominous clouds begin to appear on the horizon, particularly in Asia, where the financial community is troubled by the news that Japanese banks have invested \$17 billion in the New York State lottery.

The year starts to go downhill in mid-January when word leaks out of a shocking development in the ongoing investigation by the special prosecutor Kenneth Starr, who has by this point traced the White-water scandal back to the administration of William Howard Taft.

Spokespersons for President Bill Clinton are quick to respond to the new allegations, pointing out that the Monica Lewinsky scandal is a distraction that makes it difficult for the president and his advisers to carry on the important work of responding to all the older allegations. But the president himself is less than convincing at first. When directly asked, if he had an affair with Lewinsky, he replies: "Yes, I mean, no!"

FEBRUARY

Things are heating up in the Middle East, specifically Iraq, where suspicions are aroused that Iraq might be manufacturing illegal weapons of mass destruction when UN weapons inspectors spot Saddam Hussein at a building dedication ceremony cutting a ribbon and stating, "I hereby declare this factory for making illegal weapons of mass destruction open!"

In other international news, the Asian economic crisis continues to worsen with the discovery by the International Monetary Fund that Malaysian banks have spent \$27 billion on phone sex. None of this causes any concern in the United States, where small investors continue to be lured by the siren song of Wall Street: "Have some candy, it's 'vestor!'"

MARCH

Suspicion grows that Saddam may be violating the terms of the latest weapons agreement when a team of UN inspectors, having requested permission to view a suspected chemical-weapons facility in Baghdad, is escorted by Iraqi officials to what is later determined, by computer-assisted intelligence analysis, to be a Dairy Queen in Danbury, Connecticut.

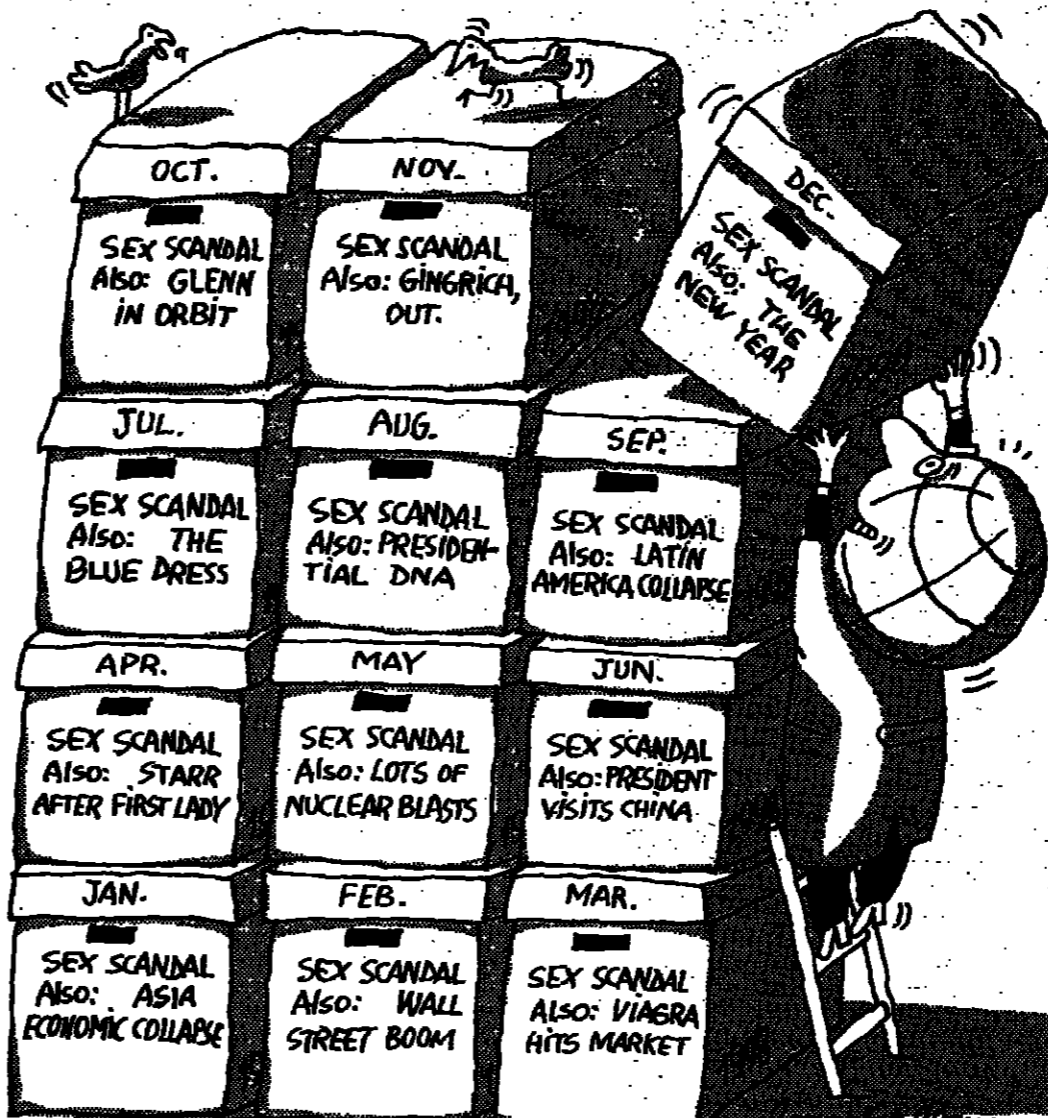
The big development is the anti-impotence drug Viagra, which is finally approved by the federal government following the delivery of what is described as a "courtesy trial sample," consisting of seven tons of the blue pills, to the home of influential Senator Strom Thurmond (R-Deceased). Viagra is an immediate sensation, both in pill form and as an additive to the water supply in retirement communities.

APRIL

Kenneth Starr grills the first lady, Hillary Rodham Clinton, for five hours in front of a grand jury, but is unable to link her to a series of convenience-store robberies in Newark, New Jersey.

MAY

The scariest international news comes from India, which shocks the world by setting off three underground nuclear blasts. Fears that India's action will trigger a new arms race are soon realized when, 17 days later, India's arch-enemy Pakistan



month comes from the U.S. space program launches 77-year-old John Glenn into space. The mission costs \$2.3 billion, but Glenn receives a \$56 million senior-citizen discount, and through his experiments in orbit NASA is able to obtain invaluable information about how weightlessness affects older people. "Apparently," NASA reports, "it causes them to float around."

NOVEMBER

Elections are held nationwide, giving the Republican Party (motto: "There's Plenty More Where Bob Dole Came From!") a chance to show its tactical skill. With every poll showing that the public is overwhelmingly sick of the sex scandal and does not want to hear one more word about the sex scandal, sleazy Republican strategists elect to spend millions of dollars to broadcast TV commercials harping on the sex scandal! This does not sit well with the estimated 83 Americans who actually vote in the election; they resoundingly reject the Republican message, forcing Newt Gingrich to resign as speaker of the House of Representatives to pursue a long-postponed career in the private sector as a stocky person, with an annoying voice.

On the scandal front, the president finally settles with Paula Jones, who gets \$850,000 and a two-year appointment as Secretary of Education.

But the big story of November occurs on the international front, when the United States finally gets sick and tired of having its chain yanked by Saddam Hussein and decides to take care of him once and for all, using military force. After Iraq repeatedly refuses to allow weapons inspections, a determined President Clinton orders U.S. bombers into the air. Just as they reach the Iraqi border, the president receives an urgent fax from Saddam stating: "I'M SORRY!" So the president orders the bombers to turn back. Then he receives another urgent fax from Saddam stating: "NOT!" So he orders the bombers to turn around and head for Iraq again. Then he gets ANOTHER urgent fax from Saddam stating: "NO, REALLY, I MEAN IT THIS TIME!" So he orders the bombers to turn around again. Then he receives yet ANOTHER urgent fax from Saddam stating: "GOTCHA! HA HA!" So he orders the bombers to turn around again, but by this time they have run out of fuel and are forced to ditch in the Gulf.

DECEMBER

NASA, elated over the publicity generated by the John Glenn shuttle mission, announces plans to send up the Spice Girls.

On Wall Street, all the major corporations in the world announce that they are merging into one single gigantic company with a name so long that nobody will be able to read it without going blind.

This exciting news propels stock prices to record levels, and financial experts agree that they will probably keep going up forever and make everybody rich, especially small investors who jump in now.

"Here, it's 'vestor!'" "C mon, it's 'vestor 'vestor!'"

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sets off a nuclear device of its own; and then a few days after that, Earl A. Crabbick of East Orange, New Jersey, who according to neighbors "doesn't get along with anybody," sets off HIS nuclear device.

JUNE

President Clinton visits China. Although the president is unable to get the Chinese to agree to any major concessions on human rights, he is able to obtain what a high-level State Department source describes as "a real nice statette of a yak."

JULY

The coveted World Cup, in a major upset, is won by the lightly regarded team from Iraq, whose players wear gas masks and whose opponents wind up writhing on the field, wracked by mysterious illnesses. Meanwhile, suspicious mount that performance-enhancing drugs are being used in the Tour de France bicycle race when an Italian cyclist is clocked going uphill at 138 miles an hour.

The special prosecutor's office wins a big round in court when it is awarded custody of Lewinsky's coveted blue dress, which, according to a source in the prosecutor's office, "looks terrific on Ken."

AUGUST

The now-legendary Monica Lewinsky testifies before the grand jury, and in accordance with longstanding judicial traditions of fairness, her testimony is kept totally, completely secret for an estimated 12 minutes. Meanwhile, the special prosecutor's office receives the re-

sults of a lab analysis of the stain on Lewinsky's blue dress, which reportedly prove conclusively that the DNA belongs to O.J. Simpson.

Meanwhile, in a severe blow to U.S. intelligence-gathering efforts, a top-secret, billion-dollar U.S. spy satellite explodes spectacularly shortly after takeoff from Cape Canaveral, spewing spies all over the place. Secret decoder rings are found as far away as Alabama.

SEPTEMBER

The national scandal gets completely out of hand with the publication of the Starr Report, which features explicit language and a glossy color centerfold photo of Monica Lewinsky, who reveals in her questionnaire that her turn-ons are "wearing thongs and formulating educational policy."

On the worldwide economic front, the gloom deepens with the announcement that both Asia and Latin America are now completely broke and unemployed, and have temporarily moved in with Europe until they can find a cheaper place of their own.

OCTOBER

Prime Minister Benjamin Netanyahu of Israel and the Palestinian leader Yasser Arafat meet with President Clinton at the secluded Wye Plantation in rural Maryland. After a week of exhausting, round-the-clock meetings, they come up with a historic peace agreement, which is rushed by military jet back to the Middle East to be broken.

The most uplifting story of the

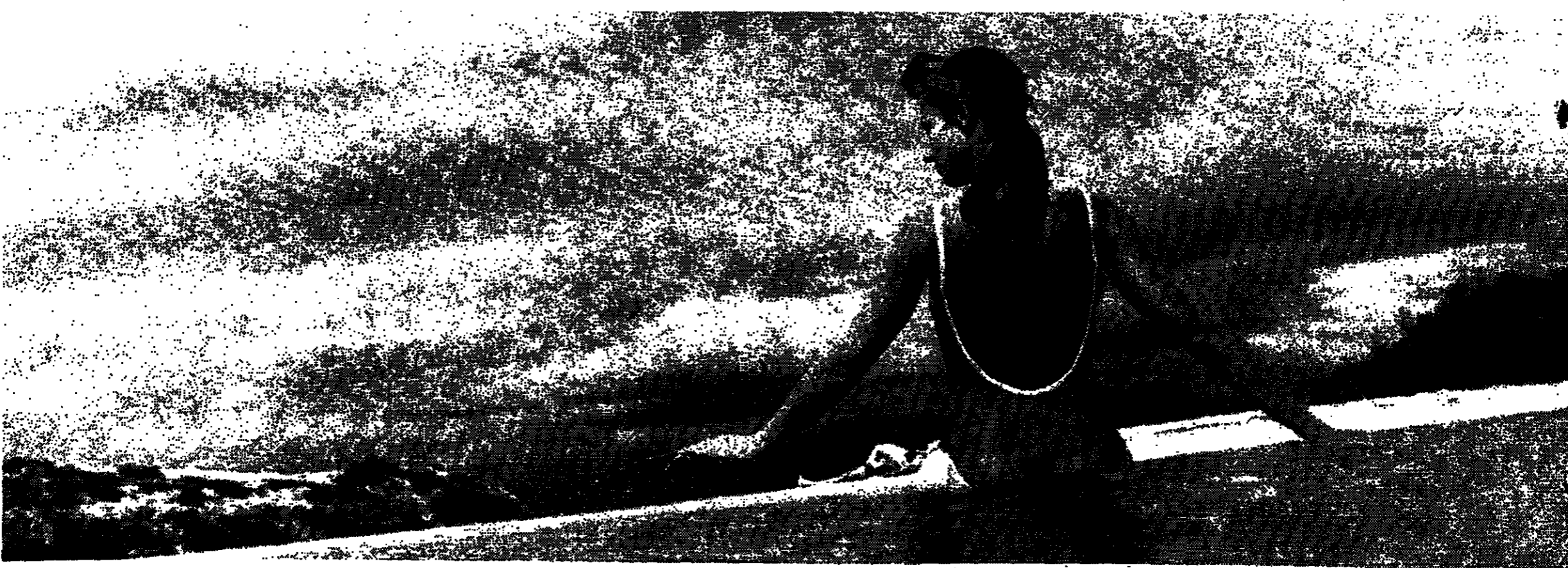
year is the announcement that the U.S. Postal Service will issue a stamp featuring the battling cat and canary.

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